

Plan Overview

I. INTRODUCTION

The Mayor, City Council, and the City's Workforce Investment Board (WIB) are dedicated to advancing worker opportunity and economic prosperity for business in Los Angeles. In accordance with the Workforce Investment Board-Local Elected Official (WIB-LEO) agreement, the WIB provides lead policy and citizen oversight of the City's Workforce Development System (WDS). In addition, the WIB convenes and supports partnerships between industry, labor, government, and service providers to strengthen the economic well being of the region, to provide job seekers the opportunity to earn good wages and access upward career mobility, and to give business access to a trained, local workforce.

Appointed by the Mayor and City Council, the WIB is comprised of 51 members representing business, local leaders in education, economic development, organized labor, and other stakeholders in our workforce investment system.

The Year Nine WIB Annual Plan articulates the City's priorities for the upcoming year, establishes funding allocations for Adult and Youth One Stop operators, presents modifications of existing policies, and provides the Community Development Department (CDD) with required authorities to implement the recommendations. Specifically, the draft Annual Plan budget:

- Projects level funding in Workforce Investment Act (WIA) formula funds
- Projects \$2.8 million less in carry-in from miscellaneous savings and prior year unliquidated obligations than the prior year carry-in
- Continues funding all existing WorkSource and OneSource Centers, albeit with an across the board reduction of 3%.
- Provides for \$1.5 million in funding for the WIB Innovation (Sector Fund), and \$400,000 in funding for the Healthcare Career Ladder initiative.
- Will limit WIA administrative costs to the ten-percent regulatory cap.

As required by the WIB-LEO agreement, the City and the WIB both must approve this Annual Plan prior to the expenditure of funds.

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II. System Priorities

In his budget letter to the City Administrative Officer¹, Mayor Antonio R. Villaraigosa reaffirmed his commitment to promoting youth development and to alleviating poverty by developing more and higher quality jobs, by facilitating entry into the workforce, and by creating training opportunities where needed most. While he acknowledged that the City continues to be hampered by a structural deficit, by a Reserve Fund below the desired threshold (5% of the General Fund), and by a dismal growth in General Fund revenues (projected at 1.3%), the Mayor is committed to maintaining service levels of essential and core city services.

In subsequent communications, the Mayor has challenged the City's WIB and its workforce development system to help achieve his goal of placing 100,000 Los Angeles City residents into living-wage jobs by 2010. As such, this plan reaffirms the four Workforce Development strategies presented in the Year Eight Annual Plan (PY 07-08) and articulated by the Mayor in his workforce development strategy. Specifically, the Annual Plan continues the WIB's previous recommendations to:

- Expand sector-based workforce initiatives;
- Strengthen the region's workforce development system;
- Leverage public sector hiring and contracting; and
- Move youth into self-sufficiency;

In addition, this plan includes two recommendations articulated as a Mayoral priorities targeted to:

- Transition low-wage incumbent workers into living-wage jobs; and
- Increase job creation

Each of these recommendations has a set of initiatives that will help contribute to this challenge. Each also has individual yearly goals that measure progress toward achieving the five-year placement goal. The majority of placements will be generated through the City's WIA-funded workforce development system. For those individuals using the resources available in the One-Stop centers, the City will input information to the State's Job Training Automation system. The City will then be able track placement, retention, and earnings outcomes through the State's Employment Development Department Base Wage File data. For individuals not enrolled in the One-Stop centers, the City will rely on its public agency partners (for example, the Ports of Los Angeles and Long Beach, Los Angeles World Airports, Los Angeles Unified School District, Los Angeles Community College District, and others) to provide outcome data. The Performance Management Unit in the Office of the Mayor will track and report annually on the workforce development system's progress toward the goal.

¹ Communication from Antonio R. Villaraigosa, Mayor, to Ms. Karen L. Sisson, City Administrative Officer, Re: Fiscal Year 2008-09 Budget Policy and Goals, November 1, 2007.

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In addition to moving 100,000 individuals toward self-sufficiency, these initiatives foster the creation of pathways for the City's low-wage and low-skill residents to find and retain self-sufficient employment, and respond to employers' increasing demand for a local, skilled workforce. In the process, they also strengthen the City's workforce development system, align the City's economic, redevelopment and workforce development systems, and contribute to the City's economic progress and sustainability. These initiatives impact the delivery of workforce education, training, and placement services as well as require changes in policy, partnerships, resources, and linkages. Through the alignment of City's economic, redevelopment, and workforce development systems, these initiatives provide support for business expansion and growth.

This reorientation will not be without challenges, however. Recent federal actions suggest that the City will have less WIA funding. Even though extent of the anticipated rescission is unknown at the local level, this annual plan projects level funding in formula dollars this year. Coupled with the reduced carry-in, the system is further limited by the ten-percent administrative cap limit on these funds. As the City shares this administrative limit with its contracted partners, the City is also restricted in the related cost contribution that it can charge against these funds. These constraints require the system not only to reduce expenditures but also to coordinate youth and workforce development services more effectively. As with most federally supported domestic programs, while the need and demand for services increases, the resources for providing these services is increasingly tenous.

While WIA funding continues to be the single largest funding stream dedicated to job training and employment services (projected at \$38.7 million), the City must continue to blend and coordinate distinct federal, state, and local funding streams to ensure that it can offer a comprehensive, private sector invested workforce system to both job seekers and employers. Without the financial commitment of resources to pay for operating and maintaining the workforce development infrastructure, the City will be unable to address the needs of youth and adult job seekers, employees, and employers across many industries. Without these services, many job seekers and low-wage employees simply will have greater difficulty in securing the means to provide adequately for themselves and their families.

Along with linking resources, the City must continue in its efforts to provide youth and workforce development services in an integrated and highly functioning system. The challenges include adherence to various regulatory requirements and contractual expectations from multiple funding agencies, while targeting services to the City's most vulnerable populations. Individuals with multiple barriers to employment often require a number of services--some employment related and others not--to secure and retain employment at a living-wage level. For the young adult customers (18 to 21 years of age) who are eligible for services at both WorkSource and OneSource centers, the system needs to make the determination of which provider is better suited to address the customer's needs.

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As established leaders in the private and public sector communities, WIB members can bring to the system financial and non-financial resources that strengthen the delivery of services. In concert with the Mayor's office, WIB members are uniquely poised to champion a stronger workforce development system. They can speak publicly about successes; emphasize the importance of workforce policy to federal officials, the business community, and the general public; work to blend resources; and focus on policies that expand access to and improve the quality of education and training programs, particularly for the City's most vulnerable populations.

Additionally, the WIB plays a major role in convening and responding to regional educational, workforce, and economic development communities. By fostering closer communication and collaboration between agencies responsible for workforce development, the WIB can help build a truly integrated and comprehensive workforce system. Beyond advocating for additional revenue, the WIB can broker regional and joint planning activities among educational, workforce, and economic development agencies. This will facilitate the development of regional industry-based partnerships.

The WIB has committed to serving vulnerable populations--such as, Veterans (including spouses of veterans), Limited English Proficient, Persons with Disabilities, Individuals who are homeless and at-risk of homelessness, Ex-offenders, and Disconnected Youth.

Individuals designated as part of the WIB's special population focus should receive priority access to case management, intensive and training services, as well as to employment-related supports necessary for gaining and retaining employment. Designation alone, without explicit measurable goals and outcomes, however, does not help achieve the objective of ensuring that the most vulnerable residents benefit from the workforce development system. For many individuals, work (or the lack of work) defines who they are; for the most vulnerable populations, attaining and retaining employment work should be a real, tangible outcome, not simply a possibility. Over the course of the upcoming year, the WIB will focus on defining these measurable outcomes.

In addition, for the Disconnected Youth, it is proposed that the system target services to those individuals who are also either gang-affiliated or ex-offenders. This focus would complement the City's overall efforts to combat gang violence and provide job training for at-risk youth. As part of the Governor's Gang Reduction, Intervention and Prevention (CalGRIP) Initiative, the City recently was awarded \$962,000 to provide mental health, gang counseling, educational skills to achieve high school graduation or a GED, and occupational training for youth affected by gangs. While these funds will be managed through the Mayor's Office, the recommendation is that these activities be integrated with those provided by the WDS. The system goal in PY 08-09 for serving gang-affiliated or ex-offenders will be for 10% of all registered clients. However, individual WorkSource and OneSource Center contracts will not include this specific numeric goal. It should be noted that the capturing of such data will be voluntary and, as such, may be underreported.

III. WORKFORCE DEVELOPMENT SYSTEM STRATEGIES

Since 1995 the City has seen a net loss of 30,000 jobs.² Recent State of California unemployment figures indicate that 5.8% of the City's labor market is unemployed (compared with a national rate of 4.8%). Declines in manufacturing and in the number of high profile companies once based in Los Angeles have resulted in an increase in the number of unemployed and underemployed individuals seeking assistance from the workforce development system.³ Overwhelmingly, the lack of skills and low educational attainment levels, coupled with the high cost of living are significant barriers to a achieving a self-sufficient workforce in Los Angeles. While recognizing that, in the long term, reforming the K-12 educational system will yield a stronger, more resilient workforce, the City is still challenged with improving the economic conditions of its most vulnerable populations today.

To move 100,000 unemployed and underemployed individuals into jobs with self-sufficient wages by 2010, the WIB will work with the Mayor to ensure that the City of Los Angeles: (a) uses its resources to leverage public and private sector resources to build worker skills; (b) creates opportunities to connect workers to higher wage jobs in the public and private sectors; (c) increases the pay and benefits of low-wage, low skill segments of the service sector, and (d) aligns economic development and workforce development activities to support targeted growth industries.

As indicated previously, the workforce development system will focus on six strategies to help low-wage, low-skill workers move into jobs paying self-sufficient wages. These strategies have evolved over the course of several years, beginning with a subtle shift from oversight of workforce providers to oversight of a workforce system. In time, the focus shifted from questioning the value of the investment in "bricks and mortar" to recognizing that the front line of the workforce system held tremendous potential to impact positively the employment outcomes of youth, adults, and dislocated workers. More recently, the focus has been on aligning and articulating the shared outcomes of multiple systems (including, the public education, economic development, redevelopment, and workforce development systems), and on re-examining the value and approach to training. Each strategy discussed below has a set of workforce initiatives already either underway or in the process of development.

² Building a World-Class City for the 21st Century, Recommendations for Job Growth and a Stronger Economy in Los Angeles," Los Angeles Economy & Jobs Committee. January 2008

³ In Program Year 2002/03 (PY 02/03), the City's Workforce Development System (WDS) recorded 90,822 individuals accessing employment services at its WorkSource Centers. In PY 06/07, the WDS recorded 128,931 individuals. At six months into PY 07/08, the WDS has seen an 24.1% increase in usage of the WSC when compared with the PY 06/07 sixth month mark (88,407 vs. 71,231).

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A. Expand sector-based workforce initiatives

A primary strategy in this work plan requires a paradigm shift in how the workforce development system responds to employer demands for a skilled workforce. The workforce development system must be agile, flexible, and responsive to employer expectations. It can no longer focus exclusively on the jobseeker expectations. The focus must be on developing and enhancing employer-driven, job-training initiatives. These initiatives must leverage a variety of resources and create direct pipelines connecting low-skilled workers to high wage jobs.

Unlike traditional job-training initiatives, sector-based and customized workforce initiatives establish strong relationships between the workforce development system, employers, employer organizations, workforce intermediaries, and educators. These relationships lead to future investment and coordination of public and private resources. Sector-based training initiatives are targeted to specific, strategic regional industries and related firms (clusters) with an identified labor need. Sector initiatives involve strategic partners who possess a deep knowledge of the targeted industries. These initiatives provide training that benefits both employers and workers, particularly workers from the unemployed, non-traditional, low wage and incumbent worker labor pools. These programs are designed in conjunction with educational partners and labor representatives around employer need. Employers not only fund a portion of the training, they also make a commitment to hire individuals who have completed the targeted training.

The Annual Plan sets aside \$1.9 million of the City's Workforce Investment Act formula monies to fund sector initiatives and customized training. In response to the concerns raised by the service providers, community based organizations, and WIB members about the size of this investment, the City has not only sought additional competitive funds to augment this set aside, but has also encouraged and supported its workforce development system providers to do the same. In the past year, the system has generated over \$12 million dollars in additional funding to provide sector-based training.

Non-WIA Formula Revenue Generated by the Workforce System for Training	
WIA Governor's 15% Discretionary Grant	\$2,400,000
WIA Governor's 25% Discretionary Grant	\$1,200,000
State Employment Training Panel Grant	\$3,102,666
Community Development Block Grant Award	\$99,668
Other Grants	\$5,496,000
Total Non-Formula Funds	\$12,298,334

Despite this additional revenue, the demand for training opportunities in the OneSource and WorkSource centers exceeds the level of funding available in the

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system. As such, the WIB continues to support the Mayor in his efforts to secure an additional \$15 million in co-investments by the Community Redevelopment Agency, the Port of Los Angeles, the Department of Water and Power, the Los Angeles World Airports, and the private sector. Along with the financial resources, these co-investors should embrace the strategies articulated in this plan.

The two prior annual plans highlighted *training, access to training and system support for training* as the primary driver behind the investment in the WIB Innovation Fund/Sector Initiatives. By investing in sector training as a strategic approach to assist low-income residents, the City benefits by developing a skilled and trained workforce that can help grow the local economy and that can support business expansion. A key component of this strategy is leveraging public and private sector resources to supplement funding, to enhance program services, and to ensure program sustainability. The following initiatives are currently being implemented (*For further details see – Service Strategy Tab*):

- **Emergency Medical Technician (EMT)** – Funded through the Governor’s Discretionary 15% grant, Hollywood WorkSource Center (in partnership with the WDS) will train young adults as EMTs. Priority will be given to veterans, emancipated foster youth and homeless youth. Approximately 142 participants will be placed into employment and will be eligible for careers as paramedics and firefighters.
- **Healthcare Career Ladder** – This continuing initiative provides healthcare training to community job seekers and incumbent workers. This past year the program has allotted vocational training for 198 participants and vocational English as a Second Language (ESL) for 30 participants.
- **Hospitality** – This sector is designed to train and employ participants in the travel and tourism industry/trade. Los Angeles Trade-Technical Community College has a focus on the culinary aspect (restaurants, etc.) while Hollywood WorkSource Center has a focus on the Hotel-Entertainment-Retail aspect. This WorkSource Center has established a portal in Hollywood at the site of the new "W" hotel being built at Hollywood Blvd. and Vine Street.
- **Infrastructure Development (Construction) Training** – This new initiative includes partnerships with community and faith-based groups to focus on creating construction apprenticeships for South Los Angeles residents. Approximately 120 participants will be trained and placed in construction jobs.
- **Logistics Initiatives** – There are three initiatives that comprise the logistics sector initiatives: Metropolitan Transit Authority (MTA) bus driver recruitment and training; truck driver training through the WorkSource Centers and partners including the Teamsters; and a State logistics grant received by the Wilshire Metro WorkSource Center. The MTA bus driver training will train and place 58 participants into employment. The truck driver training will provide training to 60 trainees. The State Logistics grant plans to serve 150 individuals, which includes 20 incumbent workers.

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- **Utilities** – This sector is designed to develop an industry-driven training program for utility workers to fill the projected needs of The Gas Company, Department of Water and Power, and Southern California Edison, as well as other utility companies. Targeted neighborhoods are South and East Los Angeles. Los Angeles Trade Technical Community College and Jewish Vocational Services are leading the effort.
- **Work Readiness Certificate Program** – A partnership with the Los Angeles Chamber of Commerce’s job readiness training program provides youth with the skills necessary for employment. In PY 06-07, approximately 460 youth completed the certificate program.

B. Strengthen region’s workforce development system

Given that the long-term competitiveness of Los Angeles’ economy is dependent on a highly trained and skilled workforce, the need for a regional workforce development system is clear. To develop this regional system, the Mayor has emphasized the need for a coordination of goals and resources, for identifying additional financial supports, and for developing the system’s capacity to serve its customers more effectively.

In this regard, the Mayor has chosen to embark on developing a compact with leaders of major public and private institutions that articulates the shared workforce and educational goals of the parties to the agreement. The parties to the initial resolution include the Mayor of the City of Los Angeles, the Superintendent of the Los Angeles Unified School District, the Chancellor of the Los Angeles Community College system, the President of the Los Angeles Trade-Technical College, the President of the Los Angeles Chamber of Commerce, and the Treasurer of the Los Angeles County Federation of Labor. This resolution articulates a need for research-based and employer driven workforce training programs as well as a joint planning process to address the employment and educational needs of the region’s low income, under-served communities.

In addition, the Mayor has called for a coordinated workforce development system that maximizes access to the training resources available through the Los Angeles Unified School District (LAUSD) and the Los Angeles Community College District (LACCD). These institutions, funded by the US Departments of Education and Labor, have a combined annual training budget nearly ten times the approximately \$40M that the City receives annually from the California Employment Development Department for workforce development. Vocational and occupational skills training, as well as advanced education, can be provided more effectively through coordination and collaboration between these institutions and other community-based organizations and employers.

By building on the existing adult education infrastructure, the City has an opportunity to expand training opportunities for its residents. This reconfigured workforce development system would leverage staffing and financial supports to increase the

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availability and improve the outcomes of job training programs. These programs will produce more competent workers that are capable of meeting the hiring needs of local employers. Through adaptable training schedules, our community colleges can meet the needs of working adults by providing evening and weekend courses and self-paced degree completion programs. By strengthening ties to local employers, this regional workforce system will align training programs with employers' needs.

Opportunities for further collaboration in workforce development service delivery and resource sharing include, but are not limited to, other area Workforce Investment Boards, other business associations, and other non-LAUSD and non-LACCD educational institutions.

Notwithstanding these opportunities for further collaboration, the City has suffered significant reductions in WIA funding over the past four years. As such, in the upcoming year, the WIB and the City must simultaneously focus on cost-saving measures and on expanding the funding base. This combination of cost-savings and fund development will permit the workforce development system to continue serving a sizeable, growing, and distressed population.

Among its cost-saving measures, the WIB is affirming the need to adhere to the regulatory maximum administrative cost of 10%. This will ensure that the Community Development Department does not generate questioned or disallowed costs that will require reimbursement to the federal or state government from the City's General Fund. Additionally, the CDD should establish an average cap of 16% on the facility costs shouldered by WIA funds. WorkSource and OneSource centers should secure additional resources (through cost-sharing principles) for costs in excess of this cap. To help cover the costs of any additional square footage identified in their leases with property owner, the WIB suggests the co-location of services at WorkSource and OneSource centers from mandatory and non-traditional partners.

To offset the reductions in available funds and to assist with the increasing demand for services, the City will continue to seek additional competitive funds. To date, the workforce development system (through the City and its service providers) has received commitments of over \$12 million in additional non-formula and non-WIA revenue to serve job seekers with barriers to employment. Some of these grants will continue into FY 08-09. The workforce development system will again pursue additional revenue streams to fund its youth development and employment services. The system has secured an additional \$3 million in non-formula revenue for that is not targeted specifically to sector-based training:

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Additional Non-WIA Formula Grants	
State Department of Corrections and Rehabilitation	\$500,000
National Emergency Grant – Mortgage	\$428,000
National Emergency Grant – SoCA Wildfires	\$900,000
DOL Office of Disability and Employment Policy	\$87,000
Community Development Block Grant – YOM	\$667,850
Community Development Block Grant – Hire LA	\$300,000
Community Development Block Grant – Homeless Portal	\$250,000
Total Non-WIA Formula Grants	\$3,132,850

While the system has been successful in securing some Community Development Block Grant funds to support employment and training, the recently approved 34th Year Consolidated Plan identifies about \$4.7 million dollars for employment-related services and activities. Currently, these programs are not subject to WIB oversight.

C. Leverage public sector hiring and contracting

While the Workforce Development System encompasses both adult and youth providers and local mandated partners, the system still lacks full integration and coordination of all public workforce, economic development, and redevelopment stakeholders involved in creating jobs and providing education, employment, and training services to City residents. As mentioned elsewhere, the WIB strongly supports the Mayor in his efforts to secure co-investment from public agencies and to hold those City agencies accountable for contributing to the goal of placing 100,000 low-wage, low-skilled workers into jobs that meet living wage standards.

The City of Los Angeles is one of the largest employers in Southern California, with approximately 1,000 entry-level job openings each year. The Mayor's office has encouraged city departments to utilize the LA City Works program as the mechanism to move residents, including young adults, into City service. Following the example of the Department of Public Works, other city departments should use the workforce development system as a conduit to increasing local employment and hiring opportunities for residents. In partnership with the local unions, the City can continue to encourage referrals of local residents from the WorkSource and OneSource centers for preferential hiring into union-sponsored apprenticeship programs.

As recommended by City Council, the Mayor should move to enforce the policy requiring all city departments, as a component of departmental economic development initiatives, to include the workforce development system in the

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management and provision of workforce development services. This policy direction requires employment opportunities that are developed through the City departments' economic development initiatives to be identified and forwarded to the workforce development system for priority consideration.⁴

Through the judicious enforcement of First Source Hiring Agreements and Community Benefit Agreements, the City can help ensure that system customers are targeted for employment and training opportunities. The City should work diligently to secure employment and training opportunities developed as a result of proposed redevelopment projects and contracting opportunities at the Port of Los Angeles and the Los Angeles World Airports.

D. Move Youth into Self-Sufficiency

Twenty percent of youth between the ages of 16-24 are disconnected from both the workforce and the educational system. The "One Out of Five" report, commissioned by the Los Angeles and Long Beach WIBs, indicates that youth and young adults with work experience are more likely to stay in school and graduate than those never engaged in employment. Unfortunately, the single greatest predictor of economic success is educational attainment. Without a high school degree, dropouts are three times more likely than those who graduate to have income below the poverty level and to live on the margins of the economy. While the calculation of the dropout rate is rife with controversy, fewer than half of entering ninth graders in major cities graduate from high school in four years. Research indicates that as individual move into post-secondary school, they increase both their economic prospects and value to the economy. They become positioned to fill the high skill and high quality jobs available in the American economy.

As such, connecting youth to jobs, even short-term jobs, is an important strategy in nurturing the next generation of skilled, self-sufficient workers.

With this in mind, the City launched the Hire LA initiative two years ago. This upcoming year the goal is to place 15,000 youth in new summer or off-track jobs. Spearheaded by the Mayor's office and funded through the Community Development Block Grant, this initiative will continue to develop public and private partnerships that facilitate connecting youth to both subsidized and unsubsidized employment. The Community Development Department anticipates that the City and County will again support this activity through General Fund contributions. Current partners include the State Employment Development Department, the Los Angeles Unified School District, the Los Angeles Chamber of Commerce, the Workforce Development System, and local employers.

⁴ Council File No. 06-2443: "Re: Re-Investing in Los Angeles Through Local Hiring and Contracting, April 3, 2007." Housing, Community, and Economic Development Committee and Ad Hoc Committee on Gang Violence and Youth Development, Motion adopted to approve Committee report and communication recommendation(s), March 30, 2007.

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In addition, the City has committed to enhancing the value of the workforce development system to youth, by investing in supplementary programs, such as Learn and Earn, the Work Readiness Certification, and the Cash for College. Through the activities of these programs, the City helps prepare college ready and work ready individuals, and helps connect young adults with jobs year-round.

Additional youth priorities in the workforce development system include reaffirming the WIB's commitment to the six Leadership Strategies articulated in the Crossroads 2005 system.⁵ The system will continue to focus on disconnected youth, but shift slightly to include services to youth disconnected from traditional high schools. By including the youth attending continuation and options high schools, the system will be reaching youth who are "almost out-of-school", youth who have been identified by the school district as needing special assistance to earn their diplomas. This would allow contractors to recruit some youth at the school sites and to focus more of their attention on providing quality programs and achieving performance goals.

E. Transitioning Incumbent Workers into Living Wage Jobs

The Mayor's office and other city leaders have identified private security, hospitality, and childcare as industries where wages are insufficient to meet the needs of employees. Many employees in these industries earn just above minimum wage with no healthcare benefits. By supporting the professionalization of these industries, the City can impact wages, training opportunities, and the creation of meaningful career ladders. Moreover, this strategy increases access to employer-provided training and to training offered through labor-management partnerships.

Recently, for example, Service Employees International Union Security Officers United Local LA 2006 and security firms in Los Angeles that serve 80 percent of the commercial real estate in the County reached an agreement that results in a 40% increase in salary and healthcare benefits over the next five years. These gains will likely translate into lower turnover, yielding a more stable and experienced workforce. As in other metropolitan areas, the private security industry in Los Angeles has seen tremendous growth.

Along with this growth in the private security industry, municipalities have expressed concern with the labor pool available to replace the large number of public law enforcement officers. In Los Angeles, the Mayor has committed to raising the ranks of police officers. As such, there exists the opportunity to establish a career path from entry-level security officer to law enforcement professional. In addition to the Los Angeles Police Department, other public law enforcement agencies have been actively recruiting (such as, Los Angeles Airport Police, Los Angeles Port Police, Los Angeles County Sheriff's Department, and the California Highway Patrol, among others).

⁵ A detailed summary of each priority, along with key activities achieved to date and proposed strategy and activities for next year is outlined in a separate summary.

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F. Job Creation

The City of Los Angeles has many tools available to bring living wage jobs to the City, to help business already here to grow and add new jobs, and to provide the guidance and financial assistance to entrepreneurs who wish to open a business. The tools belong to a variety of City departments and agencies, including the Community Development Department, the Community Redevelopment agency, the Mayor's Office, the Department of Water and Power, and the other proprietary departments. The attraction of new business and sustainable development, and the growth of companies located in Los Angeles are among the Mayor's highest priorities.

The Community Development Department's Economic Development Division provides incentives, training and financing that allow businesses in Los Angeles to grow, as well as attract new businesses to Los Angeles. These products and services have become essential parts of the City's economic development toolbox. They include:

1. HUD Section 108 loans - these loans provide below market rate interest funds for commercial, industrial and mixed-use projects in the most economically distressed communities in Los Angeles. They are typically used by owners and developers when commercial financing cannot supply all the funds required for a project ("gap financing"). Loans range from \$2-10 million. The EDD has funded over \$53 million over the last 12 years.
2. Industrial, Commercial and non-profit bonds - the City has authorized the issuance of over \$345 million in bonds for economic development and non-profit projects since 1997, creating over 1,500 new jobs in the process. Bonds are usually tax exempt and provide below-market rate interest financing for industrial projects, commercial projects of all types within the Federal Empowerment Zone, and financing for real estate based non-profit projects such as hospitals and schools.
3. Los Angeles Business Assistance Program (LABAP) - Using Community Development Block Grant (CDBG) funds, EDD funds five service providers that provide direct services to business owners and entrepreneurs throughout the City. Either in individual technical assistance sessions or in a classroom setting, LABAP agencies provide training and guidance to help businesses grow or get residents prepared to open their own business. Services are provided to businesses with 5 or fewer employees and less than \$500,000 in gross annual sales, or low-to-moderate income (low-mod) residents seeking entrepreneurial training. Over 500 jobs have been created in the last 10 years.
4. Business incentive zones - the City has two Federal zones, the Empowerment Zone and Renewal Community, as well as three State Enterprise Zones that cover all but the west San Fernando Valley and West Los Angeles. The zones provide tax credits and deductions, including credits for hiring low-mod and other hard to hire

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residents, as well as local incentives such as reductions in the DWP electrical rates, for businesses within the zones. The zone boundaries include census tracts with the highest levels of low-mod families, poverty, crime and unemployment, but also those areas that are dense with commercial and industrial land. Thousands of new jobs have been created as a result of businesses expanding or moving into the zones.

IV. PENDING ISSUES & CHALLENGES

A. WIA Rescission

The State of California has been advised by the Department of Labor that \$19 million of the State's WIA funds are being rescinded in two parts. While the actual impact on Los Angeles is unknown, at a minimum, a 2.747% (\$600,000) reduction in funds is being imposed on the City in one part. The second part potentially could impact the City by as much as \$1.8 million in program costs.

B. Administration's Proposed 2009 Budget

Strong investments in employment and training programs are needed to bolster American competitiveness amidst troubling indicators in the economy. The Department of Labor reported a loss of 17,000 jobs in January, the first such decline in four years. Today, more than 7.6 million Americans are currently unemployed, while another 6 million are marginally attached to the workforce.

This year, over 14 million workers, or one in ten workers nationally, will seek assistance from WIA and Wagner-Peyser Employment Services. The training provided through these programs give individuals the advanced skills required to meet the evolving needs of employers, who increasingly recognize the interdependent nature of workforce development and economic success.

The Administration's 2009 budget request would reduce WIA funding by \$484 million and eliminate Employment Services. If implemented, these cuts would undermine workforce preparedness and long-term economic growth, effectively shuttering One Stop Career Centers across the country and significantly hampering state and local efforts to further develop the individuals who make up our most valued economic resource. A period of economic slowdown is not the time to cut off support for our workforce; it is the time to invest.

The Senate Labor-HHS Subcommittee has not yet scheduled a hearing with Secretary Chao to review the fiscal year 2009 budget request. However, Senator Maria Cantwell (D-WA) has joined with Senator Susan Collins (R-ME) to circulate a WIA Dear Colleague letter urging the Appropriations Subcommittee restore funding for both WIA and Employment Service programs in fiscal year 2009, along with appropriate increases to match rising costs.

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C. Process Improvements

The CDD continues its commitment to providing quality services and to improving work performance and work processes. In 2006, the Workforce Development System adopted the Malcolm Baldrige Criteria for Excellence as a performance improvement strategy. In July of that year, the department submitted an application to the California Council for Excellence (CEE) on behalf of the City's Workforce Development System. The CEE administers the California Awards for Performance Excellence (CAPE), which recognizes California organizations that demonstrate continuous improvement and superior performance in the areas of leadership, customer focus, strategic planning, human resources and business results. In December 2006, the CCE notified that City that it had awarded the Workforce Development System a Eureka Bronze level award.

This year the department will again submit a proposal on behalf of the workforce development system. This proposal will incorporate the linkage with the City's economic development activities and services. The submittal of the application will provide an opportunity to be assessed by an outside entity and to incorporate the findings into future opportunities for improvement. The department uses scorecards to track its performance (see appendix). Goals of the initiative include the development of key innovations and process improvements and the implementation of a new methodology in Process Management to assist the CDD with strategic planning.

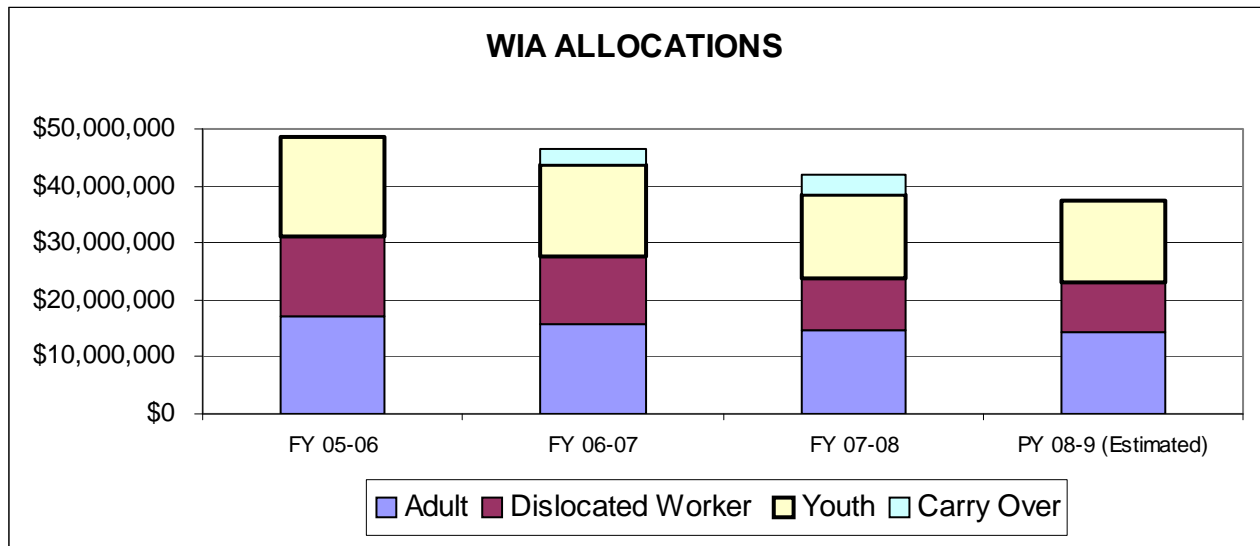
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V. ALLOCATION OF WIA FUNDS

The demand for both worker and jobseeker employment and training services continues to increase. The WorkSource and OneSource Centers continue to provide services to a growing population. In the most recent year, the Workforce Development System provided Intensive and Case Management services to over 9,000 individuals, of which 5,000 were served through the WorkSource Centers.

The current infrastructure does not support the potential labor pipeline of city residents who are unemployed or underemployed. Overall, new WIA revenue for the City of Los Angeles decreased from a high of \$72 million in PY 00-01 to a low of \$42.1 million in PY 07-08, which represents a cumulative decrease of 47 percent.

Funding Stream	FY 05-06	FY 06-07	FY 07-08	Estimated (3% reduction) FY 08-09
Adult	\$17,071,700	\$15,665,853	\$14,665,667	\$14,225,696
Dislocated Worker	\$13,892,649	\$12,014,932	\$9,120,405	\$8,846,793
Youth	\$17,477,541	\$15,934,472	\$14,684,201	\$14,243,674
Carry Over	\$0	\$2,810,284	\$3,650,000	\$0
Total	\$48,441,890	\$46,425,441	\$42,120,273	\$37,316,163



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The City has not been formally notified of its PY 07-08 allocation by the State. Funding allocations for the Adult, Dislocated and Youth programs are scheduled for release mid April 2007. The Department will prepare revised recommendations subject to WIB approval based on these final allocations.

The WorkSource and OneSource funding recommendations contained herein have been allocated to the seven Area Planning Commission Districts of the City based on 2000 Census data. This method of allocating funds is consistent with prior years.

Area Planning Commission District	As % of all Adults Living in Poverty in the City	As % of all Unemployed City Residents	As % of all Youth Living in Poverty in the City
East Los Angeles	11.95%	10.92%	13.33%
South Los Angeles	29.19%	23.07%	34.17%
Central Los Angeles	22.13%	20.55%	18.12%
West Los Angeles	6.11%	8.74%	3.34%
South Valley	13.18%	16.78%	12.27%
North Valley	12.52%	15.52%	13.63%
Harbor	4.92%	4.42%	5.12%

VI. OTHER FUNDING SOURCES

Projects funded through other sources that augment and leverage the WIA formula allocations include:

A. State Rapid Response

The Community Development Department anticipates an estimated \$757,500 in Rapid Response funds for services to dislocated workers and those about to lose their jobs as a result of a plant closure or staff downsizing. Assistance provided includes readjustment, retraining and employment services. These services are provided directly by City staff.

B. LA's HOPE Grant

The Community Development Department anticipates \$87,500 to be available in Department of Labor funds to provide customized employment services to 76 chronically homeless persons with mental illness. These grant funds were secured in PY 04-05 and are expected to expire September 30, 2008.

Plan Overview**C. County of Los Angeles**

The Community Development Department is pursuing funds from the County of Los Angeles to administer the LA County Summer Jobs program which provides work experience to eligible youth participants during the school vacation periods. Last year, the City received \$2,100,000 in funds and hopes to secure the same amount this year.

D. City General Fund Youth Program

The Community Development Department hopes to receive \$2 million in funds from the City's General Fund to deliver summer learning and employment opportunities for in a "Vacation Jobs" program. This program provides first-time work experience for youth citywide during school vacation. It targets at-risk youth, ages 14-21 with multiple barriers to employment, with an emphasis on hiring foster youth, runaways and youth offenders.

Additionally, it is hoped that \$2 million in City General Funds will be allocated for the "Learn and Earn" program, which targets LAUSD 11th and 12th grade students who have not passed the California High School Exit Examination (CAHSEE). Services will provide all participants with basic skills remediation to assist the student with successful completion of the CAHSEE and provides work experience with private/public non-profit and governmental entities throughout the City of Los Angeles.

E. Construction Initiative

In addition to \$300,000 in CDBG funding, the Community Development Department anticipates \$151,000 to be available in Workforce Investment Act (WIA) Governor's 15% Discretionary funds to continue programming targeting entry into construction apprenticeships for South Los Angeles residents. This initiative includes collaboration with faith based and local community organizations.

F. Re-Entry Employment Options Demonstration Project

The Community Development Department has been awarded a total of \$1.2 million in funds covering a 30-month period from the State of California Department of Corrections and Rehabilitation through an Intergovernmental Partnership Grant Program. Funding for PY 08-09 will be \$500,000 and includes the creation of a local collaborative service delivery systems network that assist adult offenders in successful re-integration back into their communities.

Plan Overview**G. National Emergency Grant – Southern California Wild Fires**

The Community Development Department received \$1.1 million in National Emergency Grant WIA funds from the State of California Employment Development Department for the “Southern California Wildfires Cleanup and Restoration Project.” This project will assess, train, and place participants into temporary employment to help identify locations for cleanup and restoration resulting from the fires. The State has indicated preliminarily that the City may receive an additional \$900,000 in program year 08-09.

H. National Emergency Grant – Mortgage and Banking Industry

The Community Development Department anticipates \$428,000 to be available in National Emergency Grant WIA funds from the State of California Employment Development Department. These funds will provide services to workers laid off from the mortgage and banking industry during the period of July 1, 2007 and December 31, 2007, for specific companies and layoff referenced in the State's application to the US Department of Labor.

VII. PROPOSED POLICY REVISIONS AND ADDITIONS**A. Revisions to Previously Adopted Policies**

The Community Development Department recommends the following revisions to previously adopted policies to provide further clarification for implementation:

- Certification Policy & Procedures
- Customized Training Policy
- Sector Initiative Policy
- Workforce Investment Board Self-Sufficiency Policy

VIII. ANNUAL PLAN AUTHORITIES

Adoption of this Annual Plan will authorize the Community Development Department to execute the following items, subject to the conditions herein:

A. WIA Authorities

1. Accept WIA funds, assist the Controller in depositing and transferring WIA funds as appropriate within established WIA trust funds, and expend such funds upon proper demand in accordance with the directions in the Annual Plan.

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2. Prepare Controller instructions, and any necessary technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions, as per attachment A in the formal transmittal for the Year Nine WIB Annual Plan.
3. Accept funds and execute any Subgrant Agreement and amendment and/or 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 and/or successor legislation funds, subject to review and approval of the City Attorney. The receipt of such funds shall be reported to the WIB on a regular basis.

B. Solicitation Authorities

4. Develop and submit proposals and applications to secure additional Workforce Investment Act funds and available non-Workforce Investment Act funds to any public, private, non-profit or governmental entity for workforce investment-related activities. All applications and their status shall be reported to the WIB on a timely basis, though no less frequently than quarterly
5. Proposals or applications representing the Los Angeles City Workforce Investment Board, subject to approval of the Workforce Investment Board. If application deadlines for proposals subject to WIB approval as stipulated above do not allow for prior approval, then such proposals shall be submitted to the WIB upon first opportunity for ratification. All applications and their status shall be reported to the WIB on a timely basis, though no less frequently than quarterly.
6. Accept funds in the event any proposals and/or applications are selected by any public, private, non-profit or governmental entity for funding. Per the WIB-LEO, any awards in excess of \$250,000 require both Mayor/Council and WIB approval prior to acceptance and expenditure of such funds.
7. Negotiate and execute agreements and amendments to agreements with public, private, non-profit and/or governmental entities with funds awarded.

C. Procurement Authorities

8. Issue Small Bid Purchase, Request for Proposal (RFPs) or Request for Qualifications (RFQs) in accordance with the requirements of Charter Section 1022 given the unique nature of the Workforce Investment Act and other non-Workforce Investment Act funds which require special expertise in workforce development activities most economically and/or feasibly

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performed by independent contractors. Anticipated service procurements for the year include, but are not limited to:

- Services for Limited English Speakers
 - Cash for College and Work Readiness Program
 - Marketing Plan Activities, Communications and Publication Services
 - Healthcare and other Sector Based Initiatives
 - Business Services
 - WIB Innovation Fund
 - Labor Market Analysis
 - Quality Improvement
 - Evaluation Services
 - Workforce Investment Board Consulting Services
 - Outside Auditors for Special Audits
 - Service to Persons with Disabilities
9. 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 Small Bid Purchase, Request for Proposal (RFPs) or Request for Qualifications (RFQs) and in accordance with Charter Section 1022, subject to City Attorney approval as to form and legality. Per the WIB-LEO, the CDD will secure WIB approval to negotiate and execute agreements with any entities awarded WIA funds in excess of \$250,000 per contract per year through an RFP or RFQ related to activities listed in Section 8. The execution of contracts and amendments under this Section shall be reported to the WIB on a regular basis.
10. Negotiate and execute agreements and amendments to agreements, where appropriate, with entities on a sole source basis, provided that any such action is in accordance with the City's WIA Procurement Policy and City Charter Section 1022, subject to City Attorney approval as to form and legality:
- Los Angeles Chamber of Commerce for Cash for College Initiative and Work Readiness program
 - Departments of the City of Los Angeles for implementation of LA City Works Program
 - Manuel R. Bagaoisan for technical support
 - A non-financial agreement for the maintenance of Individual Training Accounts (ITA).
 - Job Training Employment Corp, for the Youth Leadership Council training program

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- Center for Labor Market Studies, Northeastern University (Paul Harrington), for a follow up report to the One Out of Five study
11. Negotiate and execute agreements (with all program providers, WorkSource Centers, and OneSource Centers), and amendments to agreements with all organizations identified below in accordance with the requirements of Charter Section 1022, given the unique nature of the Workforce Investment Act and other non-Workforce Investment Act funds which require special expertise in workforce development activities most economically and/or feasibly performed by independent contractors, and shall be subject to City Attorney as to form and legality:
- All Youth Opportunity System general contractors
 - All WorkSource Center contractors
 - All Youth Opportunity Movement contractors
 - California State University Northridge (The University Corporation) for Performance Evaluation and customer satisfaction
 - Chicago Systems, Inc. for Skills Match
 - J. Michael Pearson for EmployAbility
 - Mary Ann Pranke Training and Consulting for continuous quality improvement
 - Goodwill Industries, Inc., and Quest Diversity and Training
 - Summer Youth/County General Fund/City General Fund providers
 - Managed Career Solutions, Inc., dba MCS Rehabilitation, for the HealthCare Career Ladder Training Program
12. Negotiate and execute agreements and amendments to agreements with bidders successful in responding to any RFP or RFQ released by the CDD subject to the approval of the City Attorney as to form and legality.

D. Non-WIA Authorities

13. Authorize payment for the accrual and payment of administrative expenses, which are directly related to the operation and oversight, including costs for regular and as-needed staff that administer the Program Year 2008-09 Learn and Earn program.
14. Accept funds from and execute grant agreements with and/or unilateral amendments with the County of Los Angeles for the Summer Youth Employment Program; prepare necessary Controller instructions regarding deposit and expenditure of such funds; authorize the negotiation and execution of contracts for such services with contractors listed in the Annual Plan, subject to City Attorney approval as to form and legality.

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15. Authorize payment for the accrual and payment of administrative expenses, which are directly related to the operation and oversight, including costs for regular and as-needed staff that administer the Program Year 2008-09 General Fund Summer Youth Employment Program.
16. Accept funds and execute grant agreements and/or unilateral amendments from the Los Angeles County Department of Probation and the City for the receipt of Schiff-Cardenas grant funds, prepare necessary Controller instructions regarding the deposit and expenditure of such funds; authorize the negotiation and execution of contracts for such services with contractors listed in the Annual Plan, subject to City Attorney approval as to form and legality.
17. Accept funds from and execute grant agreements with and/or unilateral amendments with the County of Los Angeles for the Students for Higher Education (SFHE) Program; prepare necessary Controller instructions regarding deposit and expenditure of such funds; authorize the negotiation and execution of contracts for such services with contractors listed in the Annual Plan, subject to City Attorney approval as to form and legality.
18. Accept funds from and execute grant agreements with and/or unilateral amendments with the Los Angeles Community College District for the Career Academies Grant; prepare necessary Controller instructions regarding deposit and expenditure of such funds; authorize the negotiation and execution of contracts for such services with contractors listed in the Annual Plan, subject to City Attorney approval as to form and legality.
19. Accept funds from and execute grant agreements with and/or unilateral amendments with Department of Labor, Office of the Disability Employment and Policy (ODEP) prepare necessary Controller instructions regarding deposit and expenditures of such funds; authorize the negotiation and execution of contracts for such services with contractors listed in the Annual Plan, subject to City Attorney approval as to form and legality

E. Administrative Authorities

20. Fund all current and/or new staff positions as approved in the Annual Plan. Replace expiring positions with new authorities as presented in the Annual Plan budget.

Backfill positions that become vacant during the program year provided positions are funded in the Annual Plan, and are deemed either critical to program operations or required to protect the grant.

21. Negotiate and execute amendments to the WorkSource (One-Stop) System Memorandum of Understanding between the partners of the City of Los

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Angeles workforce development system, and negotiate and execute and modifications to the WIA Five Year Local Plan. Substantial changes to MOUs or to the WIA Five-Year Plan must be brought to the WIB and Mayor/City Council for prior approval.

22. Approve and implement all policies as included herein.
23. Transfer monies up to the maximum amount of the total 2008-2009 allotment allowed by WIA statute or by other governmental administrative instructions between the Dislocated Worker and the Adult programs.
24. Prepare a report to the WIB by September 30, 2008, which identifies all carry-in funds, including those already identified herein, and prepare recommendations subject to WIB approval regarding proposed use of such funds or proposed reductions should actual carry-in funds falls short of budget projections.
25. Find that it is beneficial to the City, and therefore more feasible to execute contracts with service providers listed in the Annual Plan effective July 1, 2008 to June 30, 2009, in accordance with Charter Section 1022 provisions.
26. Prepare additional Controller instructions related to administrative accounts subject to availability of funds and approval by the Chief Administrative Officer.