

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: June 12, 2024

TO: Honorable Members of the Trade, Travel, and Tourism Committee

FROM: Sharon M. Tso
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Council File No. 24-0643
Assignment No: 24-06-0409

Workforce Development Board Annual Plan Program Year 2024-25 New Policies

SUMMARY

The Economic and Workforce Development Department (EWDD) develops the City of Los Angeles Workforce Development Annual Plan (Annual Plan) at the direction of the Workforce Development Board (WDB), City Council, and Mayor. The Annual Plan establishes the priorities, strategies, and policies for the City's Workforce Development System (WDS) that provides the following:

- Workforce and training services for adults
- Education and employment support for youth

The Annual Plan also seeks to improve delivery of workforce services to vulnerable populations such as homeless individuals, the re-entry population, and disconnected youth. The Annual Plan details major funding sources and is consistent with the federal Workforce Innovation and Opportunity Act (WIOA) and the California Unified State Plan. The 2024 Annual Plan was transmitted on June 3, 2024 (C.F. 24-0643). The City Administrative Officer (CAO) will report on the budgetary components of the Annual Plan under separate cover.

The WDB, City Council, and Mayor are all responsible for developing policy in response to federal legislation and current state law. As prescribed in the WDB/Local Elected Officials (WDB/LEO) Agreement, these bodies provide policy guidance, governance, and program oversight of the City's WDS in accordance with Federal law. Through development of the Annual Plan, these entities establish the services and budget of the City's WDS for the upcoming Fiscal Year.

A total of \$118.6 million is available to implement the strategies and activities in the Year 25 Annual Plan. The City will receive approximately \$49.3 million from annual WIOA formula grants and \$69.3 million from other sources, including discretionary WIOA grants, City General Fund, Los Angeles County funds, and various other grant sources.

Policies

It has been the practice since the Program Year 2 Annual Plan (2001-02) to include policies in the Annual Plan that govern the use of WIOA funds. Policies are drafted in response to new City policies and federal and State requirements and codify operating efficiencies identified by EWDD staff.

A total of 69 policies govern the delivery of services in the 2024-25 Annual Plan. Of the 69 policies, 62 previously approved by Council have been adopted by the WDB without change. Seven are new or have been revised to be in conformance with Employment Development Department (EDD) and Department of Labor (DOL) guidance and directives.

These new and/or revised policies are listed below:

1. Definition of Good Jobs Policy
2. Self-Sufficiency Policy
3. Supportive Services/Needs-Related Payments/Stipends and Incentive Payments Policy
4. Procurement and Contract Execution Guidelines
5. America's Job Center of California (AJCC) Operator Annual Performance Evaluation Policy
6. Program Monitoring Policy
7. WIOA Training Policy and Procedures

As further detailed in the Background section, our Office recommends approval of these new and/or revised policies as they streamline the administration of WIOA funds and provide further clarity and guidance to contractors who use these funds to provide services to City residents.

WDB/LEO Agreement

Terms for the City's oversight of the WDB are set forth in the WDB/LEO Agreement, which is prepared every four years. After multiple extensions of the previous agreement (C.F. 20-0674; C.F. 21-0647), our Office has successfully negotiated a new four-year agreement with the Mayor, WDB, and City Attorney.

The new proposed agreement will become effective on July 1, 2024 and includes a number of changes that grant Council more oversight of WDB activities. A summary of the proposed revisions to the new WDB-LEO Agreement is included in a separate transmittal pending Council consideration (C.F. 21-0647-S4).

RECOMMENDATIONS

That the City Council:

1. Approve and implement all proposed new policies included in the Program Year 2024-2025 Workforce Development Board Annual Plan (C.F. 24-0643)

2. Instruct EWDD and request the WDB to monitor the new policies and report on any impact incurred by the operators or the department as a result of the new policies

FISCAL IMPACT

The recommendations in this report will have no impact on the General Fund.

BACKGROUND

The Program Year 25 Workforce Development Board Annual Plan for Program Year 2024-25 (2024-25 Annual Plan) details how major funding sources for workforce development programs will be administered and is aligned with the City's Fiscal Year. The 2024-25 Annual Plan is consistent with the federal WIOA, which includes allocations for a variety of economic development and workforce related services.

Annual Plan Budget

For Program Year 2024-24, the City will receive approximately \$52.4 million in WIOA Formula Funds and WIOA Discretionary Grand Funds and approximately \$66.2 million in workforce-related grant funds that have been secured from State and other sources. In addition, there is \$16.3 million in carry-over funds available from previous years.

Total funding for WDS activities for Program Year 2024-25, including carry-over funds, is projected to be approximately \$118.6 million. EWDD proposed, and the WDB approved, seven new or revised policies to implement the Annual Plan. These are described below.

1. Definition of Good Jobs Policy

This policy defines good jobs and aims to ensure that the distribution of WIOA resources are directed and informed based on job quality. The Department of Commerce and Department of Labor have eight (8) principles that comprise a good job. They are:

- 1) Recruitment and Hiring, where applicants are actively recruited and are free from discrimination;
- 2) Benefits, such as health insurance, retirement plans, workers' compensation benefits, and other measures that promote economic security;
- 3) Equal opportunity, which ensures all workers have equal opportunity the workplace and are not discriminated against;
- 4) Empowerment that allows workers to join and form unions and permits workers to engage in protected, concerted activity without fear of retaliation;
- 5) Job Security and Working Conditions that ensure workers have a safe, healthy, and accessible workplace built on input from workers and their representatives;

6) Organizational Culture where workers all belong, are valued, contribute meaningfully to the organization, and are engaged and respected by leadership;

7) All workers are paid a stable and predictable living wage; and

8) Skills and career advancement are possible in the present job so that workers have equitable opportunities and tools to progress to future good jobs within their organizations or outside them.

2. Self-Sufficiency Policy

This policy provides guidance and establishes the procedures regarding self-sufficiency for workers and also serves as an annual update of the lower Living Standard Income Level (LLSIL) and poverty guidelines. The LLSIL reflects the cost of living increases for the Regions and major metro areas by calculating the percentage change in the most recent Consumer Price Index (CPI) for All Urban Consumers (CIP-U) for an area then applying this calculation to each of the previous year's LLSIL figures.

3. Supportive Services/Needs-Related Payments and Incentive Policy

This policy establishes the procedures to the City of Los Angeles' WorkSource and YouthSouth Centers in providing supportive services that are necessary to enable WIOA eligible individuals who cannot afford to pay for such services to participate in authorized WIOA activities. The policy also sets standards for needs-related payments, stipends, and incentive payments. Lastly, the policy provides general guidance for non-WIOA service providers or programs, such as LA: Rise, Californians for All, and other special non-WIOA formula grants.

4. Procurement and Contract Execution Guidelines

The purpose of these guidelines is to ensure that all procurement activities conducted by the EWDD are in accordance with established federal, state, and local guidelines, and that all procurement is conducted in an ethical, legal, consistent, and timely manner. The procedures serve as guidelines both for the EWDD and for EWDD-funded subrecipients. The guidelines discuss the management of procurement, the authority to procure, issues arising from lease or purchase consideration, methods of procurement, sealed bids, and when Request for Proposals (RFP) is used when seeking external expertise.

5. AJCC Operator Annual Performance Evaluation Policy

This policy provides guidance and establishes the procedures regarding the Annual Performance Evaluation of All America's Job Center of California (AJCC) operators, locally known as WorkSource and YouthSource Centers, henceforth known as contractors by the City of Los Angeles Workforce Development Board (WDB), and requires they be successful in meeting annual contract performance goals.

6. Program Monitoring Policy

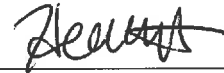
This policy establishes procedures for Program Monitoring to ensure compliance and identify areas of strength and weakness in operations, which leads to improved program operation, management capabilities, and overall performance improvement.

7. WIOA Training Policy and Procedures

This policy provides guidance and establishes the procedures for participant enrollment into training programs and services available under the Workforce Innovation and Opportunity Act (WIOA), Dislocated Worker, and Youth program for the City of Los Angeles Workforce Development System.

CONCLUSION

Our Office recommends approval of the new and revised policies inasmuch as they provide greater oversight of funds, are aligned with City priorities, and are required by the WIOA. In addition, we recommend that staff be instructed to monitor these policies and report on any impact incurred by the operators or the department as a result of the implementation of the new policies.



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