



MEMORANDUM

DATE: July 23, 2009

TO: Charles Woo, Chair
Workforce Investment Board

FROM: Gregg Irish, Executive Director
Workforce Investment Board

SUBJECT: CITY COUNCIL AMENDMENTS TO THE YEAR TEN (2009-2010)
WORKFORCE INVESTMENT BOARD (WIB) ANNUAL PLAN APPROVED ON
JUNE 19, 2009

RECOMMENDED ACTION:

On July 13, 2009, the WIB Executive Committee approved amendments to the Year Ten Annual Plan that the City Council unanimously adopted on June 19, 2009, after acceptance of a motion by Council member Herb Wesson (see Attachment A).

Numbers 1, 2 & 3 of Mr. Wesson's motion, which were recommended by the Office of the City Administrative Officer and the City Attorney, clarify the WIB's role in approving all agreements/contracts and amendments that are under \$250,000 and described in the Annual Plan as a general category of service.

The remaining two items of the Tenth District Council member's motion transfer \$2,500,000 of Workforce Investment Act (WIA) Formula and American Recovery and Reinvestment Act (ARRA)/Stimulus funding from anticipated High-Growth, High-Wage Sector Initiatives and the WIB's Innovation Account to a newly created activity entitled "Green Retrofit and Workforce Program."

WIB staff developed three options for finalization of the plan. The Executive Committee unanimously selected Option 3 as follows:

- To approve the Council's amendments so that workforce development services can commence as scheduled, and
- To assign the Council's amendments to the appropriate WIB committees and subcommittees for development of alternatives that would be referred back to the Mayor and Council for their concurrence, and necessitate subsequent Annual Plan revisions.

Viable alternatives and related revisions to the plan will be presented to the Executive Committee for final approval, once they have been fully vetted by the appropriate committees. A report will be provided at the next quarterly meeting to apprise the entire WIB of all actions taken regarding this matter.

The full WIB is simply being informed of actions rendered on its behalf by the Executive Committee.

BACKGROUND:

The Year Ten Annual Plan reflects policy goals and priorities set forth by the WIB, Mayor and Council, and establishes the administrative and program budget for \$45,756,777 of formula Workforce Investment Act (WIA) funds and \$4,280,957 of other special funds for the 2009-2010 fiscal year. It was developed pursuant to federal and State regulations, and in accordance with the long-standing WIB-Local Elected Official (WIB-LEO) agreement.

The plan also contains strategies and a budget for \$41,265,529 in ARRA/stimulus funds from the Obama Administration for supplemental adult, dislocated worker and youth services.¹ An additional \$2,500,000 in ARRA/stimulus funds is not included in this year's Year Ten Annual Plan, because it was budgeted for expenditure in fiscal year 2008-09 to jumpstart the Summer Youth Program and effectuates 1,250 subsidized job placements from May 4, 2009 to June 30, 2009.

A draft of the plan was presented to all of the WIB's committees and subcommittees (Advocacy Committee, Policy and Oversight Committee, Training and Supportive Services Committee, Sector Oversight Subcommittee, Youth Council, and Business Services, Marketing and Resource Development Committee). Committee and subcommittee recommendations

¹The WIB proposed that \$10.3 million of ARRA Adult and Dislocated Worker funds be set aside for special programming, whereby 3,000 new customers would receive workforce development training from service providers selected via two competitive procurements. Approximately 1,525 other new customers would be accommodated through \$7 million of ARRA Adult and Dislocated Worker funds distributed directly to the City's 18 WorkSource Centers and \$500,000 set aside for the assignment of WorkSource Center staff to 5 Family Development Portals/Family Source Centers. Expanded Rapid Response activities will be financed with \$1.5 million of ARRA funds. A Request for Proposals (RFP) would also be released to establish a Sector-Based Internship Academy for 1,600 youth, ages 21 to 24, with \$4 million of ARRA Adult and Youth funds. ARRA youth funds of \$4.7 million and \$8.6 million would enable the City's 13 OneSource Centers to assist 850 new youth customers year-round, and underwrite 4,300 subsidized summer jobs beginning July 1, 2009.

regarding the contents of the Year Ten Annual Plan were transmitted to the WIB's Executive Committee for final action.

The WIB's Executive Committee approved the plan on June 3, 2009 and, per the WIB-LEO agreement, it was forwarded to the Mayor and Council for their consideration.

DISCUSSION:

As previously indicated, the Council amended and adopted the Year Ten Annual Plan on June 19, 2009. The Mayor signed off on the amended plan on June 29, 2009. It is now being referred back to the WIB for approval. Per federal and State dictates and the WIB-LEO agreement, consensus on the plan is required by all parties for workforce development services and expenditures to be duly authorized.

Council-approved amendments 1,2 and 3 in Attachment A acknowledge the WIB's prominent role of oversight of the City's Workforce Development System and attendant funding. These amendments specify that the Community Development Department (CDD) obtain the WIB's approval, prior to implementing various Year Ten Annual Plan activities and executing or amending certain related agreements/contracts.

The remaining Council amendments in Attachment A conflict with the WIB's recommendations for the plan. They would reduce the \$6,300,000 of ARRA funds and \$1,500,000 of Innovation Account WIA formula funds that the WIB reserved for High-Growth, High-Wage Sector initiatives and other pioneering job training ventures. Figures for the former and the latter would be decreased to \$4,300,000 and \$1 million, and the resultant \$2,500,000 of uncommitted funding would then be designated for a new activity entitled "Green Retrofit and Workforce Program."²

A considerable amount of time and energy was devoted by the WIB in formulating the Year Ten Annual Plan revised by Council. Its committees conducted numerous hearings attended by the public, secured input from multiple and expert sources on exemplary workforce development practices, and examined the performance of existing job training programs. Based on these efforts, the WIB's plan represents the best approach to the programming and expenditure of WIA Formula and ARRA funds.

The WIB remains committed to industry sector training strategies as critical to addressing Los Angeles' current unemployment crisis and the skills gap of local workers. WIA formula and ARRA funds were again allocated for this purpose.³ The WIB's Year Ten Annual Plan already

² A Green Retrofit Development Task Force and Green Retrofit Development Advisory Council are being established by ordinance to oversee the implementation of a City Green Retrofit Program. The Green Retrofit Program calls for the phased-in retrofitting of municipal-owned buildings and public spaces to meet Leadership in Energy Environmental Design Standards (LEEDS), an in-house workforce development component to train workers to perform the associated tasks. Last year, the WIB earmarked \$75,000 from its Innovation Account in support of start-up. Those funds are unexpended.

³ Sectors identified by the WIB with the greatest potential for growth/expansion in the Southland and an abundance of jobs that either pay living wages or have career ladders that lead to higher salaries are: Advanced

accounts for the potential of “green” industries and technologies to create future employment opportunities, and relies on a competitive procurement process to select the most qualified training providers to produce the desired job candidates.⁴

RECOMMENDATIONS:

WIB concurrence with the funding amendments made by Council is required before the Year Ten Annual Plan can be submitted to the State for approval. The WIB Executive Committee, therefore, had the following options for finalization of the plan:

1. It could choose to approve the amendments without objection
2. It could choose to reject the amendments, in which case federal regulations allow for a process for mediation of such matters
3. It could choose to:
 - a) Reluctantly approve the amendments so that services can commence as scheduled, especially in light of the ARRA funding expenditure deadlines imposed by the Obama Administration
 - and
 - b) Assign these amendments to the appropriate WIB committees and subcommittees for development of alternatives that would be referred back to the Mayor and Council for their concurrence, and necessitate subsequent Annual Plan revisions

As stated earlier, the Executive Committee chose Option 3.

and Industrial Manufacturing, Construction, Early Childcare and Education, Entertainment, Financial Services, Healthcare and Life Sciences, Hospitality and Tourism, and Private Security. Many of these sectors have built-in elements of “green.” Some of them are in decline due to the recession, but likely to recover later.

⁴ A Request for Proposals (RFP) will be let to select training providers to prepare workers for “green” jobs in the construction, utilities, and technology industry sectors.