



GILBERT A. CEDILLO  
COUNCILMEMBER  
FIRST DISTRICT

Date: 6/23/15  
Submitted in Econ. Dev. Committee  
Council File No: 14-1371-S5  
Item No.: 2  
~~Copy~~ Communication from Councilmember Cedillo

June 23, 2015

Los Angeles Economic Development Committee  
c/o Office of the City Clerk  
200 N. Spring St., Room 470, Los Angeles, CA 90012

Attn: Richard Williams, Legislative Assistant

RE: Council File 14-1371-S5 Transitional Job Program Exemption

Honorable Councilmembers:

I submit this letter in support of today's item on the Economic Development Committee as it relates to the Transitional Job Program Exemption from the recently adopted minimum wage ordinance. I feel that the amendment I put forward warrants merit based on past precedent on how the City has treated transitional job programs, as well additional findings outlined below.

These so-called hardest to employ represent homeless individuals, individuals with addictions, at-risk youth, ex-offenders, etc. Under Prop. 47, Los Angeles, with the nation's largest jail system, saw its jail population drop by about 17%, or 3,200 inmates; the 2015 Homeless count released by LAHSA revealed that there was an overall 12% increase in homelessness in the City and County since the last count in 2013. The findings further revealed that the number of tents, makeshift shelters and vehicles increased by 85%.

These populations face multiple barriers to employment such as low educational attainment levels, limited or no past work experience and few marketable job skills, mental health or substance abuse problems, chronic health problems or disability and, for some, criminal histories.

For the majority of these hardest-to-employ populations, these barriers can be overcome by placement in a "transitional job" through which they can develop the job and social skills necessary to compete and succeed in the mainstream work environment

As the City continues to stay committed to public safety, economic prosperity, and reducing the number of homeless on the streets of Los Angeles. These transitional jobs can offer "Supportive Services" including, but not limited to, counseling services, individual case management, pre-employment job readiness training, daily monitoring of participants

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while on the job, provision of unsubsidized competitive employment opportunities, and assistance in applying for, obtaining, and maintaining unsubsidized competitive employment.

Because organizations providing transitional job training programs have to pay for higher overhead costs, including supervision, counseling, and training of a homeless workforce, the demand for these first transitional job opportunities exceeds the supply, therefore we must foster programs that allow for such training.

I also want to make note that the Los Angeles Administrative Code already defines transitional job programs. Division 10 Contracts, Article 5 Transitional Job Opportunities Section 10.31, provides a contracting "preference" to entities working with the hardest-to-employ populations. This code section specifically speaks on the importance to expand the number of transitional job opportunities available to the long-term unemployed in Los Angeles. In addition, the City contracts with organizations like Homeboy Industries, Los Angeles Conservation Core, and Chrysalis for the benefit of the City of Los Angeles.

Therefore, I conclude by reaffirming my support that in order to sustain and indeed expand these vital transitional job training programs, the employers of these programs require an exemption from the minimum wage during the first 18 months of training for each worker going through the training program. BCA will ensure that the employers meet specific criteria before being granted the exemption.

Sincerely,



GILBERT A. CEDILLO  
Councilman, 1<sup>st</sup> District