

CITY OF LOS ANGELES

CALIFORNIA



City of Los Angeles
Workforce *Investment* Board

CHARLES WOO
CHAIR



ERIC GARCETTI
MAYOR



Economic and Workforce
Development Department
JAN PERRY
GENERAL MANAGER

March 19, 2015

Council File:
Council District Nos.: All
Contact Person(s) & Phone:
Jaime H. Pacheco-Orozco,
(213) 744-7124
Robert Sainz, (213) 744-7396

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall

City Council
c/o City Clerk
Room 395, City Hall

Attention: Mandy Morales, Legislative Coordinator

TRANSMITTAL: AUTHORIZATION TO ACCEPT AND EXPEND UP TO \$992,000 IN WORKFORCE INVESTMENT ACT (WIA) DISLOCATED WORKER ADDITIONAL ASSISTANCE 25% GOVERNOR'S DISCRETIONARY FUNDS TO PROVIDE TRAINING AND RE-EMPLOYMENT SERVICES TO INDIVIDUALS IMPACTED BY MASS LAYOFFS AT THE NESTLE PLANT IN THE CHATSWORTH AREA OF LOS ANGELES

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD) and the Chair of the Los Angeles Workforce Investment Board (WIB) respectfully request that the Mayor and City Council:

1. AUTHORIZE the General Manager, EWDD, or designee, to accept on behalf of the City up to \$992,000 in WIA Dislocated Worker Additional Assistance 25% Governor's Discretionary funds from the State of California Employment Development Department (EDD) for "Moving Forward," a job training and placement initiative targeting 124 workers dislocated as a result of the closure of the Nestlé Prepared Food Company's "Hot Pockets" manufacturing plant in Chatsworth, California, for a grant term of 18 months, retroactive to October 1, 2014 through March 31, 2016;

2. AUTHORIZE the General Manager, EWDD, or designee, to execute grant agreements and/or amendments with the California Employment Development Department for the receipt of the WIA 25% funds to provide re-employment services to a minimum of 124 eligible workers dislocated during the layoff from the Nestlé Prepared Foods Company’s Chatsworth “Hot Pockets” Manufacturing facility;
3. APPROVE the allocation of \$296,914 to the EWDD for grant management, program oversight, and administrative costs for the contract term;
4. APPROVE the allocation of \$695,086 for training and placement services;
5. AUTHORIZE the General Manager, EWDD, or designee, to execute agreements and/or amendments with eight WorkSource Centers (WSC) as follows:

Agency	Funding Level	Number of Participants
ResCare Workforce Services	\$128,932	23
Pacific American Consortium in Employment	\$100,897	18
Managed Career Solutions, Inc.	\$100,897	18
Goodwill Industries of Southern California	\$72,872	13
UAW – Labor Employment and Training Corporation	\$72,872	13
Build Rehabilitation Industries	\$72,872	13
Youth Policy Institute, Inc.	\$72,872	13
Pacific Gateway Workforce Investment Network	\$72,872	13
Total	\$695,086	124

6. AUTHORIZE the Controller to:
 - a. Increase receivable within the Workforce Investment Act Fund No. 44A from the CA State EDD for \$992,000.
 - b. Establish new accounts within the Workforce Investment Act Fund No. 44A and appropriate as follows:

Acct #	Title	Amount
22L122	EWDD	106,855
22L299	Related Costs – EWDD	36,030
22L622	Reserved for EWDD	154,029
22L712	WIA Moving Forward – Nestle Layoffs	695,086
Total		992,000

c. Increase appropriations within Fund 100/22 as follows:

Acct #	Title	Amount
001010	Salaries-General	92,811
001070	Salaries-As Needed	431
001090	Overtime	15
002120	Printing & Binding	41
002130	Travel	97
003040	Contractual Services	2,116
003310	Transportation	70
006010	Office & Admin Expense	1,069
006030	Lease	10,205
Total		106,855

7. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

SUMMARY

In order to improve efficiencies, Nestlé is closing its Hot Pockets manufacturing plant in Chatsworth, California, and moving the operation to its Mount Sterling, Kentucky plant. The Chatsworth closure is displacing 360 workers and eliminating a total payroll of \$25 million.

In September 2014, the EWDD submitted an application to the EDD for WIA Governor's Discretionary 25% Additional Assistance monies to fund workforce development services for the affected Nestlé workers.

The EDD traditionally gives priority for supplemental funding to Local Workforce Investment Areas (LWIA) based on the following indicia: a) where the unemployment rate is higher than average (at the time, the City's unemployment rate was 8.6 percent, as compared to the national rate of 5.9 percent, the California rate of 6.9 percent, and the Los Angeles County rate of 7.8 percent); b) where the dislocations represent a change to local economic conditions (a loss of 360 jobs and a \$25 million payroll), and c) where the demand for workforce development services exceeds the capacity of existing resources (all WIA formula funds to the City had already been earmarked for services, so that additional services could be funded only by additional monies).

WIB ACTION

In compliance with the WIB-Local Elected Officials agreement, the acceptance of a grant in excess of \$250,000 is subject to approval of the WIB, the City Council, and

the Mayor. On October 30, 2014, in anticipation that the EWDD's application to the EDD for additional assistance funding would be successful, the WIB authorized the EWDD to accept any additional monies forthcoming from the EDD.

The WIB has been advised of the successful solicitation of \$992,000.

FISCAL IMPACT STATEMENT

All recommendations in this transmittal will have no negative financial impact on the City General Fund inasmuch as the grant provides full-cost recovery of the EWDD salaries, expenses and all related costs.

DISCUSSION

In accordance with instructions from the WIB dated February 5, 2015, the EWDD conducted a Request For Interest (RFI) to identify from among its pre-procured WSCs those able to provide services to 124 workers dislocated from Nestlé. Attachment A lists the eight successful respondents to the procurement, the number of participants each will serve, the industry sectors to be targeted by the training, and the amount of funding recommended for each WSC.

In order to improve employment outcomes and to ensure that participants attain and retain employment with a living wage, Moving Forward will provide eligible dislocated workers with an array of employment and supportive services, including Limited English Proficient training as well as assessments for basic skills, career interests, and transferable skills. The average per participant cost will be \$5,606.00. Training modalities will include on-the-job training (OJT), classroom training, subsidized work experience, cohort customized training, pre-apprenticeship training, approved apprenticeships, and entrepreneurial training. The project will develop Individual Employment Plans (IEPs) for participants, and provide career guidance and employment training in high-demand industry sectors.



JAN PERRY
General Manager



CHARLES WOO
Chair
Workforce Investment Board

JP:GR:CR:BB
Attachment A: Moving Forward Initiative for Nestlé

MOVING FORWARD INITIATIVE FOR NESTLÉ

Agency	Funding Level	Number of Participants	Sectors
ResCare Workforce Services	\$128,932	23	Manufacturing, Healthcare
Pacific American Consortium in Employment	\$100,897	18	Green Technology Financial Services
Managed Career Solutions, Inc.	\$100,897	18	Healthcare Security
Goodwill Industries of Southern California	\$72,872	13	Hospitality Security
UAW-Labor Employment and Training Corporation	\$72,872	13	Advanced Manufacturing Construction
Build Rehabilitation Industries	\$72,872	13	Healthcare Logistics
Youth Policy Institute, Inc.	\$72,872	13	Healthcare
Pacific Gateway	\$72,872	13	Logistics