

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 25, 2017

CAO File No. 0220-01024-2762

Council File No. 14-1414-S4

Council District: Various

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer



Reference: Economic and Workforce Development Department Transmittal dated June 7, 2017;
Additional information received through July 18, 2017

Subject: **REQUEST TO ACCEPT \$3,000,000 IN WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) DISLOCATED WORKER 25 PERCENT ADDITIONAL ASSISTANCE FUNDS JOINTLY WITH THE COUNTY WORKFORCE DEVELOPMENT BOARD FOR FORMER AMERICAN APPAREL WORKERS AND RELATED ACTIONS**

RECOMMENDATIONS:

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Economic and Workforce Development Department (EWDD), or designee, to:
 - a. Accept on behalf of the City of Los Angeles Workforce Development Board (WDB), and in partnership with the Los Angeles County WDB, up to \$3 million in Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker 25 Percent Additional Assistance funds under the designation "Refashioning Workers" from the State of California Employment Development Department (EDD), for a retroactive grant term from January 16, 2017 through July 31, 2018. The amount allocated to the City of Los Angeles is \$1,800,000, with the remaining \$1,200,000 allocated to the County of Los Angeles;
 - b. Execute subgrant agreements and/or amendments to subgrant agreements between the EDD and the City of Los Angeles for the "Refashioning Workers" project for the above-mentioned term that will collectively serve American Apparel LLC dislocated workers through the partnership between the City and County of Los Angeles;
 - c. Negotiate agreements with a retroactive term from January 15, 2017 through July 31, 2018, with the following grant application partners, subject to City Attorney approval as to form and legality, in accordance with WIOA procurement policies and compliance

with the Workforce Development Board – Local Elected Officials (WDB-LEO) Agreement, and City grant and contract requirements, including Charter 1022:

- Los Angeles Unified School District (LAUSD), in an amount not to exceed \$178,920 to provide basic skills training (literacy/numeracy), classes in English-as-a-Second-Language (ESL) and Vocational ESL, and citizenship classes, as appropriate;
- The State of California Employment Development Department (EDD), in an amount not to exceed \$82,303, to assist with recruitment, Unemployment Insurance and labor exchange services;
- City of Los Angeles WorkSource Centers identified below, and for amounts not to exceed those listed below, to conduct start-up, outreach, and recruitment activities, and to deliver intensive career services, training services, placement services, and follow-up services:

Worksource Center	Operator	Fund Amount
Boyle Heights	Arbor E&T, dba Rescare Workforce Services	\$34,160
Downtown/Pico Union	Pacific Asian Consortium in Employment	51,240
Hollywood	Managed Career Services, Inc.	273,270
Northeast Los Angeles	Goodwill Industries of Southern California	409,900
South Los Angeles	UAW – Labor Employment & Training Corp.	34,160
Southeast Los Angeles	Watts Labor Community Action Committee	187,872
Vernon Central/LATTC	Coalition for Responsible Community Development	341,590
Watts/Los Angeles	Housing Authority of the City of Los Angeles	34,160
	Total:	\$1,366,352

2. Approve the allocation of \$172,425 to EWDD for grant management, program oversight, and administrative costs for the retroactive contract term from January 15, 2017 through July 31, 2018;
3. Authorize and instruct the Controller to:
 - a. Increase receivable within Workforce Innovation Opportunity Act (WIOA) Fund No. 57W from the State of CA – EDD for \$1,800,000;

- b. Establish new accounts and increase appropriations within WIOA Fund No. 57W as follows:

Account	Title	Amount
22P122	Economic and Workforce Development	\$107,419
22P299	Reimbursement of General Fund Costs	65,006
22N533	WIOA 25% DW American Apparel	1,627,575
	Total	\$1,800,000

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

Account	Title	Amount
001010	Salaries General	\$91,220
001070	Salaries As Needed	215
001090	Overtime General	11
002120	Printing & Binding	9
002130	Travel	22
003040	Contractual Services	2,222
006010	Office & Admin	1,954
006030	Leasing	11,766
	Total	\$107,419

4. Authorize the General Manager of EWDD, or designee to prepare Controller instructions and/or make any technical adjustments consistent with Council and Mayor action on this Report, subject to approval of the City Administrative Officer, and authorize and instruct the Controller to implement those instructions.

SUMMARY

In a Transmittal dated June 7, 2017 (C.F. 14-1414-S4), the Economic and Workforce Development Department (EWDD) requests Mayor and Council approval to retroactively accept on behalf of the City of Los Angeles Workforce Development Board (WDB) \$3 million in Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker 25 Percent Additional Assistance Funds in joint partnership with the County of Los Angeles WDB for training and re-employment services for former American Apparel LLC (American Apparel) workers displaced by the regional closure of American Apparel facilities. The grant term is from January 16, 2017 through June 31, 2018, and the \$3 million in funding will be allocated as \$1.8 million for the City and \$1.2 million for the County based on the places of residence for an initial target of 600 total participants. EWDD also requests approval to execute retroactive subgrant agreements and/or amendments to subgrant agreements with the State of California Employment Development Department (EDD) regarding these funds. Approval is also requested to negotiate and execute retroactive contracts with the following grant application partners for a total amount of \$1,627,575 out of the \$1.8 million: the Los Angeles Unified School District, EDD, and eight current WorkSource Centers as identified in Recommendation 1c in this Report. The remaining \$172,425

is proposed as grant administrative funding for EWDD.

This office recommends approval of EWDD's requests for authority to accept the grant jointly with the County WDB, execute subgrant agreements and amendments to subgrant agreements with the EDD, and negotiate and execute contracts with the grant application partners, subject to City Attorney approval as to form and legality, and in compliance with the WDB-Local Elected Officials (WDB-LEO) Agreement, and federal and City grant and contract requirements.

BACKGROUND

Section 133(a)(2) of the WIOA authorizes the Governor to set aside up to 25 percent of the state's federal formula Dislocated Worker funds for California's Rapid Response (RR) system and Additional Assistance projects. Eligible Additional Assistance projects consist of sudden and large increases of unemployment due to natural disasters, mass layoffs, or other specific events. The Additional Assistance funds are to provide direct services to dislocated workers when local resources are inadequate.

American Apparel notified the State EDD in November 2016 regarding the impending closure of its regional production facilities and resulting layoffs. On January 16, 2017, American Apparel employees were laid off from sites in downtown Los Angeles, South Gate, and La Mirada. EWDD, in partnership with the County of Los Angeles Department of Workforce Development, Aging and Community Services; the City and County WDBs; the EDD; and the LAUSD, requested \$3 million in WIOA Dislocated Worker 25 Percent Additional Assistance funds for workforce development services for impacted former employees. EWDD states that the EDD provided informal notification regarding the joint grant award in April 2017, and that formal notification was provided on June 30, 2017. EWDD estimates that through June 2017, at least 400 former American Apparel workers have already received or are receiving workforce development services through the City's WorkSource Centers with the previous Program Year (2016-17) WIOA Dislocated Worker funds. The \$3 million grant requested for approval would provide services for at least 600 additional displaced workers in the region.

In compliance with the WDB-LEO Agreement, the acceptance of any workforce development grant funds in excess of \$250,000 by EWDD, or any contract award or amendment in excess of \$250,000, is subject to the approval of the City WDB, Council and Mayor. The City WDB approved the joint acceptance of the \$3 million in WIOA Dislocated Worker 25 Percent Additional Assistance funds from EDD for assistance for former American Apparel workers on April 24, 2017.

DISCUSSION

The "Refashioning Workers" grant-funded program is designed to support workforce development services for former American Apparel workers during the period starting January 16, 2017, the date of employee lay-offs, through July 31, 2018. The retroactive grant term start date will allow workforce service providers to submit requests for reimbursement for eligible services in the event that adequate funding is not available from previous Program Year WIOA Dislocated

Worker grant funds. EWDD states that 600 eligible new participants are anticipated to be served by the total \$3 million in new WIOA Dislocated Worker 25 Percent Additional Assistance funds, of which 400 workers will be assisted with the \$1.8 million City allocation and 200 workers will be assisted with the \$1.2 million County allocation. EWDD's proposed breakdown of the City's \$1.8 million allocation is below.

City Allocation of American Apparel WIOA Dislocated Worker 25 Percent Additional Assistance Funds

Services	Service Providers	Amount
Adult ESL education, basic skills training, citizenship classes	Los Angeles Unified School District	\$178,920
Recruitment, outreach and unemployment insurance	California Employment Development Department (EDD)	82,303
Outreach, recruitment, and career, training, placement and follow-up services	Eight WorkSource Centers in the Boyle Heights, Downtown/Pico Union, Hollywood, Northeast Los Angeles, South Los Angeles, Southeast Los Angeles, Vernon Central/LATTC, and Watts/Los Angeles Service Areas	1,366,352
EWDD Department administration (salaries and expenses)	EWDD	172,425
	TOTAL:	\$1,800,000

The program design includes outreach and recruitment, career and training services, and placement and follow-up services. Service delivery will be provided via subsidized work experience, classroom training, and cohort customized training. EWDD states that participants will be targeted for assessment and upgrading of skills, and re-employment in expanding industry sectors, with an emphasis on education and training. The LAUSD and other Adult Education providers will provide basic skills (literacy/numeracy), English as a Second Language (ESL)/Vocational English as a Second Language (VESL), and citizenship classes, as appropriate. The EDD will provide outreach, recruitment, and unemployment insurance services. The eight WorkSource Centers identified in Recommendation 1c of this Report will provide intensive career and placement services.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this Report comply with the City Financial Policies in that the Workforce Innovation and Opportunity Act Dislocated Worker 25 Percent Additional Assistance grant fund supports funding for the workforce development services for workers displaced by the closure of American Apparel LLC facilities in the region.