

CITY OF LOS ANGELES

CALIFORNIA



Workforce **Development** Board
City of *Los Angeles*

Workforce Development Board
CHARLES WOO
CHAIR



ERIC GARCETTI
MAYOR



**Economic and Workforce
Development Department**
JAN PERRY
GENERAL MANAGER

June 7, 2017

Council File Number:
Council Districts: All
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The 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

COMMITTEE TRANSMITTAL: AUTHORITY TO ACCEPT AND EXPEND \$3,000,000 IN WORKFORCE INNOVATION AND OPPORTUNITY ACT DISLOCATED WORKER 25 PERCENT ADDITIONAL ASSISTANCE FUNDS TO PROVIDE TRAINING AND RE-EMPLOYMENT SERVICES TO DISLOCATED WORKERS IMPACTED BY THE AMERICAN APPAREL CLOSURE

RECOMMENDATIONS

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

1. AUTHORIZE the General Manager, EWDD, or designee, to accept on behalf of the Los Angeles Workforce Development Board (WDB), and in partnership with the Los Angeles County WDB, up to \$3,000,000 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 grant term of eighteen (18) months, retroactive to 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;
2. AUTHORIZE the General Manager, EWDD, or designee, to execute subgrant agreements and/or amendments to subgrant agreements between the EDD and the City of Los Angeles

This WIOA Title I financially assisted program or activity is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.

for the "Refashioning Workers" project that will collectively serve American Apparel LLC (AA) dislocated workers through the City and County of Los Angeles partnership;

3. AUTHORIZE the General Manager, EWDD, or designee, to negotiate agreements retroactive to January 15, 2017 with the following grant application partners, subject to approval of the City Attorney as to form and legality, in accordance with City and WIOA procurement policies and Charter Section 1022 requirements, and in compliance with the Workforce Development Board – Local Elected Official (WDB-LEO) Agreement, City grant regulations, and City contracting requirements:
 - 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	Funding 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

4. APPROVE the allocation of \$172,425 to the EWDD for grant management, program oversight, and administrative costs for the contract term.
5. INSTRUCT the City Clerk to place on the City Council Agenda for July 1, 2017, or soon thereafter as possible, the following recommendation for adoption:

- a. Authorize the Controller to:
- i. Increase receivable within Workforce Innovation Opportunity Act (WIOA) Fund No. 57W from the State of CA – EDD for \$1,800,000.
 - ii. 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

- iii. 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

6. AUTHORIZE the General Manager of EWDD, or designee, to prepare additional Controller instructions and/or any necessary technical adjustments that are consistent with this action, subject to the approval of the City Administrative Officer and authorize the Controller to implement these instructions.

BACKGROUND

On November 7, 2016, American Apparel, LLC (AA) issued a Worker Adjustment and Retraining Notification (WARN) notice to the EDD announcing a complete closure of its regional production facilities and resulting in the layoff of 3,457 employees. The WARN notice was issued in anticipation of the company's closure through bankruptcy court. On January 16, 2017, over 3,100 American Apparel employees were laid off from three primary sites -- Downtown Los Angeles, South Gate, and La Mirada.

The EWDD is leading a regional effort to provide educational, training, and workforce development services to a minimum of 600 displaced workers in the apparel and manufacturing sector. EWDD has partnered with the County of Los Angeles Department of Workforce Development, County of Los Angeles Workforce Development, Aging and Community Services (WDACS), the City and County WDBs, the EDD, and the LAUSD to request \$3,000,000 in WIOA Dislocated Worker 25 Percent Additional Assistance funds to provide workforce development services to the employees impacted by the closure of American Apparel. The EWDD will serve as the lead entity, and will ensure that a consistent program design and service delivery model is used across the two Local Workforce Development Areas (City and County). As with previous grant-funded joint ventures, the City and County will enter into

separate subgrant agreements with the State. The requested distribution of funds between the City and County (an allocation of \$1,800,000 for the City and \$1,200,000 for the County) is based on the domicile of record of the impacted workers.

On April 17, 2017, the EWDD released WDS Information Bulletin No. 17-15, "Request for Interest (RFI) 25 Percent Additional Assistance Grant American Apparel – Refashioning," to its already contracted City of Los Angeles WorkSource Centers (WSC). The RFI sought WSC interested in providing work readiness and employment services to American Apparel dislocated workers. Funding recommendations were made based on the interested agency's submission of a) a Request for Interest Response Form, b) a written narrative setting forth the agency's previous experience in serving the target population and working with other special projects, and c) budget documents outlining the agency's financial standing.

FISCAL IMPACT

All recommendations in this transmittal will have no additional financial impact on the City General fund as the grant complies with City Financial Policies and provides full-cost recovery of the EWDD salaries, expenses, and all other related costs.

Program Design

As structured, the "Refashioning Workers" project will run a minimum of eighteen (18) months (January 16, 2017 - July 31, 2018), during which the partnership will conduct start-up, outreach, and recruitment activities, as well as deliver career and training services, followed by placement, and follow-up services. The project will utilize an array of training modalities, including subsidized work experience, classroom training, cohort customized training, and combinations thereof. Participants will be targeted for skills upgrading and re-employment in key industry sectors identified as growing or rebounding in the region. To achieve successful outcomes, the project will place an emphasis on education and training, and will rely on close coordination with key partners, including LAUSD, training providers, and especially employers and related business/industry groups. The EDD will assist with recruitment, unemployment insurance and labor exchange services. 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 Workforce Development Boards in the Los Angeles Basin Regional Planning Unit (RPU) will work in a coordinated manner to ensure that participants are assessed and provided critical career and job placement services.

Of the total number of workers affected by the AA closure, the partnership anticipates serving 600 under this grant solicitation. An additional 150 displaced workers will be served under the existing WIOA Title I Dislocated Worker Formula funds previously allocated by the State. A significant number of the AA employees are low-skilled and/or limited-English-proficient (LEP) speakers. AA had noted that some seventeen (17) foreign languages were spoken at its facilities; and that the majority of non-English speakers spoke primarily seven (7) foreign languages. Along with basic skills remediation, a large number of these employees will require computer literacy training, ESL/VESL, and other training services to secure subsequent employment. The project will deploy a variety of training modalities, including transitional employment training, customized employment training, Individual Training Accounts (ITAs), and On-the-Job Training (OJTs), as appropriate. To the extent possible, and working with labor and employer associations, the partnership will also provide Pre-Apprenticeship and Approved Apprenticeship training. Through the City's BusinessSource Centers, the County's America's Jobs Centers of California (AJCC), other AJCCs throughout the region, and other resources, the partnership will provide Entrepreneurial Training. All services will be customized to the individual dislocated worker depending on initial and ongoing assessments. Participants will be directed to the appropriate WDB for WIOA program services based on address of residence.

WDB ACTION

In compliance with the City WDB-Local Elected Official Agreement, the acceptance of any workforce development grant in excess of \$250,000 by the EWDD, or any contract award or amendment in excess of \$250,000 by the EWDD is subject to the approval of the WDB, the City Council, and the Mayor.

The WDB took action on April 24, 2017 to accept the additional WIOA Dislocated Worker 25 Percent Additional Assistance funds from the EDD and to contract with the above-listed City WSC to provide workforce development services.



JAN PERRY
General Manager



CHARLES WOO
Chair
Workforce Development Board

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