

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

November 20, 2017

Council File Number:
Council Districts: All
Contact Persons & Phone:
Robert Sainz, (213) 744-7396

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: REQUEST TRANSFER OF \$375,000 FROM THE GENERAL CITY PURPOSES FUND AND \$1,201,000 FROM THE UNAPPROPRIATED BALANCE FUND TO THE GANG INJUNCTION CURFEW (GIC) SETTLEMENT FUND FOR OBLIGATIONS RELATED TO THE IMPLEMENTATION OF THE LOS ANGELES RECONNECTIONS ACADEMY 2.0 (LARCA 2.0) PROGRAM FOR THE GIC SETTLEMENT

DEADLINE FOR ACTION

The General Manager of the Economic and Workforce Development Department (EWDD) and the Chair of the Workforce Development Board (WDB) respectfully submit this transmittal for your review and approval. Approval of this item is requested no later than December 31, 2017, to ensure the uninterrupted provision of services to GIC settlement class members.

RECOMMENDATIONS

The General Manager of the EWDD and the Chair of the WDB request that the Mayor and the City Council:

1. **AUTHORIZE and INSTRUCT** the Controller to transfer \$375,000 cash from the General City Purposes Fund No. 100/56 and \$1,201,000 from the Unappropriated Balance Fund 100/58, for a total of \$1,576,000 to the Gang Injunction Curfew Settlement Fund No. 10B/22; and

2. AUTHORIZE the General Manager, EWDD, or designee to prepare additional Controller instructions and any necessary technical adjustments that are consistent with Mayor and Council action required to implement the Gang Injunction Curfew Settlement, subject to the approval of the City Administrative Officer (CAO).

FISCAL IMPACT

The recommendations contained herein have no additional impact to the City General Fund as these funds were previously allocated to the LARCA 2.0 program.

BACKGROUND

In Program Year 2016-17, the City Council allocated a maximum of \$30 million dollars in City Funds over a four-year period for the Gang Injunction Curfew Settlement in the case of "Rodriguez vs. City of Los Angeles." The lawsuit claimed that the City of Los Angeles served 26 gang injunctions with unconstitutional curfew provisions and, thus, negatively impacted approximately 6,000 plaintiff class members. Twenty-six (26) gang injunction areas are part of the class action settlement: three are in the San Fernando Valley; three are in West Los Angeles; four are in Northeast Los Angeles; four are in Boyle Heights/East Los Angeles; two are in Mid-City; three are in Hollywood/ Central Los Angeles; six are in South Los Angeles; and one is in Wilmington/Harbor.

The Settlement was signed by the Courts at the end of March, 2017. As part of this Settlement, the City of Los Angeles agreed to provide work readiness and employment services to individuals directly or indirectly affected by the gang injunction. The Jobs and Education component of the Gang Injunction Curfew Settlement enables class members identified in the Settlement to take advantage of job readiness and employment services (including apprenticeship programs and vocational and job training programs) to prepare them to enter the workforce. All eligible participants are pre-approved through a third party Claims Administrator as designated by the court. Class members who are unable to participate in the program or who do not have a need for this program may transfer said benefit to a close relative (child, parent, sibling, or spouse) as prescribed in the Settlement. The City will contribute a minimum of \$1.125 million yearly (with a maximum of \$7.5 million yearly) for a period of forty-eight months (up to a total of \$30 million over the four-year program).

In FY 2016-17, \$4.5 million was allocated to EWDD as follows:

EWDD Program and Administrative Oversight	450,000
Service Providers	4,050,000
Total	4,500,000

The EWDD received authority from City Council and WDB to enter into agreements with twenty-six service providers to provide the services as described above, at a total of \$4,050,000.

At the conclusion of FY 2016-17, EWDD received \$2,064,945 from the City General City Purposes (GCP) fund to cover actual EWDD oversight expenditures and agreements with twelve service providers executed and encumbered as of June 30, 2017, as summarized below:

EWDD Oversight	154,945
Service Providers	1,910,000
Total	2,064,945

EWDD has since obligated the remaining \$2,140,000 (\$4,050,000 less \$1,910,000) funds to the following thirteen service providers and contractors:

Anti-Recidivism Coalition	100,000
Arbor ResCare – Boyle Heights	180,000
Arbor ResCare – Canoga Park	180,000
City of Long Beach	150,000
El Proyecto del Barrio	430,000
Friends Outside of Los Angeles	100,000
Goodwill Industries of Southern California	190,000
Homeboy Industries	190,000
Jewish Vocational Services	180,000
CSUN (Evaluation Services)	250,000
Homeboy Industries (Tattoo Removal Services)	150,000
Homeboy Industries (Training Services)	20,000
H.E.L.P.E.R. Foundation (Training Services)	20,000
Total	2,140,000

In addition, the EWDD has budgeted \$561,000 for program and administrative oversight for a total budget of \$2,701,000 (\$2,140,000 + \$561,000) for FY 2017-18.

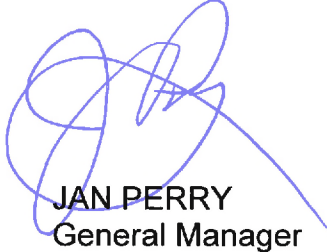
In the FY 2017-18 adopted budget, a total of \$4.5 million from the GCP (\$1.5 million) and the UB (\$3.0 million) were allocated to the program. The EWDD has received \$1,125,000 from the GCP to date and is now requesting that Council instruct the Office of the Controller to transfer an additional \$1,576,000 (\$2,701,000 - \$1,125,000) to EWDD, as summarized below:

	GCP	UB	Total
FY 2017-18 Budget	1,500,000	3,000,000	4,500,000
Transferred – July 2017	(1,125,000)		(1,125,000)
Balance	375,000	3,000,000	3,375,000
Additional Request for FY 17-18	(375,000)	(1,201,000)	(1,576,000)
Balance	0	1,799,000	1,799,000

As of September 22, 2017, the City (through a Court-approved, third-party administrator) has sent notifications to 5,567 Settlement class members. Roughly 30% of the notices (1,749) have been returned to the administrator for non-delivery. A total of 277 claims have been processed and approved for services. In effect, in the first quarter of program implementation, seven percent of the notices delivered have been returned to the City. Assuming a conservative, straight line projection, the EWDD anticipates approximately 1,100 individuals will have returned their claim forms and have had them approved by the claims administrator by the close of fiscal year 2017-18, and another 1,100 individuals will come through the program by the close of fiscal year 2018-19. With a coordinated outreach strategy, the City may be able to increase the number of claim forms returned and approved.

WDB ACTION

In accordance with the WDB-LEO Agreement, the WDB Executive Committee approved the General Manager, EWDD, or designee, to negotiate agreements for a period of twelve months (June 1, 2017 through May 31, 2018), with LARCA service providers to deliver a Jobs and Education program (educational and career assessments, case management, classroom job-readiness training, subsidized employment, and job placement services) to the GIC Settlement class members, subject to approval of the City Attorney as to form and legality.



JAN PERRY
General Manager



CHARLES WOO, Chair
Workforce Development Board

RS:GR

cc: Mike Feuer, Los Angeles City Attorney