

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 9, 2017

Council File Number: 17-0635
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

TRANSMITTAL: ACCEPTANCE OF PROGRAM YEAR (PY) 2017-18 WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) CARRY-IN REPORT AND REQUEST FOR AUTHORITY TO MODIFY PY 2017-18 ANNUAL PLAN BUDGET; REPORT BACK REGARDING RELATED ACTIONS TO IMPLEMENT PROGRAM GOALS

RECOMMENDATIONS

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

1. ACCEPT the PY 2017-2018 Carry-In Report as indicated in this transmittal;
2. APPROVE the proposed modifications to the PY 2017-18 Workforce Development Board Year 18 Annual Plan budget (See Attachment 1);
3. AUTHORIZE the General Manager, EWDD, or designee to:
 - a. Accept reimbursements from the Social Security Administration (SSA) for serving as an Employment Network (EN) under the SSA's Ticket to Work (TTW) Program (as previously approved under C.F. 12-0818) and

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

- authorize EWDD to appropriate and expend within the Disability Employment Initiative Fund No. 54N upon presentation of supporting documentation;
- b. Appropriate and expend Carry-In funds for City-funded programs, e.g., HireLA's Youth, Cash for College, and the Summer Youth Employment Program (SYEP);
 - c. Negotiate and execute amendments to agreements with workforce service providers to provide for a combination of Workforce Investment Act (WIA) and Workforce Innovation Opportunity Act (WIOA) funds, as needed; and
 - d. Negotiate and execute amendments to agreements with service providers as detailed in the "Other Workforce-Related Grants" worksheets.
4. 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. The WDB Year 17 Annual Plan Carry-In Report Controller Instructions will be sent under separate cover.

FISCAL IMPACT STATEMENT

This report discusses WIOA grants and other workforce-related program revenues. The EWDD budget reflects the City's preliminary CAP 39 rates for related costs (fringe benefits and central services) applicable for FY 2016-17 and expected to be approved by the City's federal cognizant agency this fiscal year. This report complies with City financial policies that allow reimbursement up to grant limitations.

BACKGROUND

The Annual Plan requires the Department to prepare a report to the WDB, City Council and Mayor that identifies all carry-in funds from the prior program year and adjustments to actual revenues received for the current program year, and to present recommendations regarding the proposed use of such funds.

DISCUSSION

A. New Revenues and Carry-in Funds

The Department has received final allocations for all the grants identified in the PY 2017-18 Annual Plan. In addition, the Department has completed the fiscal year close-out of Program Year 2016-17. Attachment 2 lists all the funding sources and a comparison of the projected and actual PY 2017-18 new allocations and carry-in funds from PY 2016-17.

As shown, the Department's total revenue of \$73,529,588 is \$5,690,989 more than the original revenue projection of \$67,838,599 indicated in the PY 2017-18 Annual Plan.

The net increase was a result of the following:

1. Net Increase of \$2,799,157 in New Revenues

Funding Source	Increase (Decrease)
1. WIOA Formula – Adult, Dislocated Worker, and Youth	(3,108,042)
2. WIOA Rapid Response	110,728
3. Career Opportunities in Retail	(400,000)
4. CFE/Citi-Summer Jobs Connect	(43,702)
5. Disability Employment Accelerator & Initiative	(350,000)
6. DOL Youth Re-Entry Grant CL Collaboration FHI 360	1,400,000
7. EWDD SYEP – Other Sources	107,959
8. Gang Injunction Curfew (GIC) Settlement	1,500,000
9. LA County Anti-Recidivism Coalition (ARC)	226,500
10. LA County JJCPA Probation	870,000
11. LA County LA RISE Measure H	2,000,000
12. LA County P3 Probation	195,000
13. LA County WIOA Adult, Dislocated Worker, and Youth	(210,000)
14. USC Village Local Project	300,000
15. WIOA National Emergency Grant	200,000
16. WIOA Regional Plan Development and Training Coordination	714
Total	2,799,157

2. Net Increase of \$2,891,832 in Carry-in Funds from PY 2016-17

Funding Source	Increase (Decrease)
1. WIOA Formula – Adult, Dislocated Worker, and Youth	329,328
2. WIOA Rapid Response	184,180
3. 25% Dislocated Worker Addtl Assistance-American Apparel	1,580,000
4. Career Opportunities in Retail	311,814
5. CFE/Citi-Summer Jobs Connect	17,746
6. Disability Employment Accelerator & Initiative	14,195
7. EWDD SYEP – Other Sources	95,626
8. Gang Injunction Curfew (GIC) Settlement	(337,500)
9. Goldman Sachs	35,096
10. Hyatt Regency Century Plaza Hotel Dislocated Worker	806
11. LA City General Fund-Cash for College	1,603
12. LA City General Fund-Hire LA	144,698
13. LA City General Fund-LA RISE	76,386
14. LA City General Fund-SYEP	38,883
15. LACCD CA Career Pathway Trust Fund	199,778
16. LA Performance Partnership Pilot (P3)	20,856
17. LA RISE-WIF	79,795
18. TAACCCT	2,474
19. WIOA National Emergency Grant	66,796
20. WIOA Regional Plan Development & Training Coordination	29,272
Total	2,891,832

B. WIOA Administrative Cap Limit

The WIOA funds are subject to a 10 percent administrative cap regulation as set forth in the WIOA Final Rule CFR Parts 683.205 and 683.215. These specific administrative costs as defined in the federal regulations include all administrative costs salaries, expenses, and related costs (fringe benefits and central services), WIOA funded share of City Attorney, Controller, and Personnel Department support costs, and the

administrative costs of the 16 WorkSource Centers. The total WIOA administrative costs reflected in the modified Annual Plan budget is within the 10% administrative limit.

C. Modifications to the Annual Plan Budget

The increase of new revenues and the carry-in funds contained in this transmittal modify the approved PY 2017-18 Annual Plan budget (C.F.17-0635)

The \$5.691 million increase in revenues is primarily due to carry-in funds and grant funds received after the approval of the Annual Plan. This increase is offset by allocations approved by the WDB through separate actions.

On February 8, 2017, the State released WIOA funding planning estimates to the local areas. These estimates were used to prepare the original Annual Plan budget. After the Annual Plan was approved by the WDB, the actual Adult, Dislocated Worker, and Youth formula fund allocations, which provide the primary funding for WorkSource and YouthSource centers, were reduced by the State \$3.1 million from the planning estimates. As noted in Attachment 1, the Department has partially closed this budget gap to \$1.15 million through internal reductions to staffing and other administrative cuts. However, by funding stream, the remaining deficits are as follows:

Funding Stream	Amount
Adult	(514,735)
Dislocated Worker	(246,084)
Youth	(391,236)
Total	(1,152,055)

The Department recommends the following actions to balance the budget:

Budget Modifications	Amount
WDB Innovation Fund Deferral	(513,811)
Veteran Initiative Deferral	(200,000)
YSC Holdback	(394,244)
WSC Holdback	(165,000)
Total	(1,273,055)

The Department recommends funding the following additional activities:

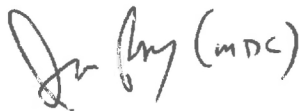
1. Allocate \$26,000 to Build Rehabilitation to continue a WSC portal at Pierce College;
2. Allocate \$40,000 to procure a consultant to assist the Department in meeting state certification requirements;
3. Allocate \$25,000 to the Hospitality Training Academy to support its South Los Angeles Training Initiative; and
4. Allocate \$30,000 to EWDD's Account 1070 to hire 3 additional CASWs to provide support to the Department and WDB.

New Activities	Amount
Pierce College Portal	26,000
WSC Certification	40,000
South LA Hospitality Academy	25,000
CASWs	30,000
Total	121,000

Summary of Modifications	Amount
Carry-In Shortfall	(1,152,055)
New Activities	\$121,000
Revised Shortfall	(1,273,055)
Budget Offsets	\$1,273,055

WDB ACTION

On October 4, 2017, in accordance with the Workforce Development Board-Local Elected Officials Agreement, the WDB approved the PY 2016-17 Carry-In/Savings report provided by the EWDD.



JAN PERRY
General Manager



CHARLES WOO
Chair
Workforce Development Board

JP:RS:GR:TJ

Attachment 1: Modified Annual Plan Budget Schedules
Attachment 2: Revenue: Actual vs Projected Schedule