

CITY OF LOS ANGELES

CALIFORNIA

JAN PERRY
GENERAL MANAGER



ERIC GARCETTI
MAYOR

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

1200 W. 7TH STREET
LOS ANGELES, CA 90017

April 23, 2018

Budget and Finance Committee
c/o Richard Williams
City Clerk
200 North Spring Street, Room 395
Los Angeles, CA 90012

**SUBJECT: ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT
(EWDD) COMMENTS REGARDING THE MAYOR'S FISCAL YEAR
2018-19 PROPOSED BUDGET**

In a letter dated February 26, 2018, the Chair of the Budget and Finance Committee requested City departments to provide brief comments and any proposed changes regarding the Mayor's Proposed Budget for Fiscal Year (FY) 2018-19. As instructed, the Economic and Workforce Development Department (EWDD) respectfully submits this correspondence to discuss only the most critical items and changes that we propose, and the impacts to service levels if these changes are not approved.

Of immediate concern to the Department are the following five items:

- 1. The \$2 million in General Fund monies requested for LA RISE is only funded at \$1 million in the Mayor's Proposed FY 18-19 Budget for the EWDD, representing a 50 percent cut from FY 2017-18 funding.**
 - EWDD requests an additional \$1 million in General Funds to maintain current service levels and funding for the LA RISE program.
 - Without these additional monies (\$1 million), the EWDD will be unable to provide 150 vulnerable, homeless individuals with job development services, including subsidized employment and supportive case management to help prepare them for continued employment. .
 - Requested, current level funding of \$2 million for this program enables the EWDD to assist a total of 300 vulnerable, homeless individuals.
 - *\$1 million General Fund impact.*

- 2. The vacant Accountant position (CAO Position Number 2211000038) is eliminated in the Mayor's Proposed FY 18-19 Budget for the EWDD.**
 - EWDD requests to keep and fill this vacant Accountant position.
 - Deleting this position will have a negative impact on EWDD's ability to perform required, backlogged grants management accounting activities.
 - *NO impact to the General Fund, as this position is 100% Special-funded.*

3. **The vacant Management Analyst position (CA Position Number 2211000089) is eliminated in the Mayor's Proposed FY 18-19 Budget for the EWDD.**
 - EWDD requests to keep and fill this vacant Management Analyst position.
 - This position will only be filled if primary, special funding sources and grants provide sufficient funding to do so.
 - The vacant Management Analyst position in Administrative Services would be used to closely monitor budget versus expenditures and assist with new and more rigorous operational budgeting and reporting required by L.A. County grants.
 - *\$27,944 General Fund impact.*

4. **The EWDD request for an additional \$750,000 in funding for the Day Laborer Program (DLP), restoring the funding to historic levels, is not included in the Mayor's Proposed FY 18-19 Budget for the EWDD.**
 - This funding will:
 - increase staffing to operate the Day Laborer Centers one more day per week, Saturdays (currently open Monday through Friday);
 - supply contractors with the means of providing resource development and community mediation; and
 - provide funds for facility improvements such as information kiosks, resource libraries, public internet computers, ESL resources, and referrals of eligible clients to Work Source Centers, Family Source Centers, and Business Source Centers for entrepreneurship and business development services.
 - *\$750,000 General Fund impact.*

5. **General Fund funding re-alignment for 20 full-time positions was not included in the Mayor's Proposed FY 18-19 Budget for the EWDD.**
 - EWDD requests \$417,378 in General Fund funding to complete baseline changes and funding re-alignments for 20 full time positions.
 - Each year the EWDD requests for re-alignment of indirect costs as some Special Funds are reduced or eliminated.
 - Federal regulations require indirect costs to be spread among all the EWDD's funding sources. Therefore, EWDD is required to spread (i.e. re-align) costs among all remaining funding sources, including the City's General Fund. Without a corresponding increase in General Fund, more costs are charged to Special Funds and cause the EWDD to exceed administrative cost limits and caps (CDBG, 20%; WIOA, 10%).
 - *\$417,378 General Fund impact.*

CONCLUSION

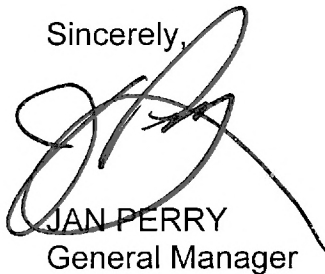
We are pleased about the \$2.55 million in the Mayor's Proposed FY 2018-19 Budget for the 2018 Summer Youth Employment Program (SYEP), a vital program continued with an increase of \$250,000 in the General City Purposes (GCP) Budget in order for the EWDD to serve the same number of youths (approximately 1,000) as last summer at the higher minimum wage rate of \$13.25 per hour.

Additionally, the EWDD appreciates Council support in providing the legally-mandated, maximum funding of \$7.5 million for the Gang Injunction Curfew (GIC) Settlement Program is continued and budgeted as follows: \$3.5 million in EWDD's operating budget and \$4 million in the Unappropriated Balance (UB). The EWDD concurs.

The EWDD appreciates the support of the Mayor, City Council and others for the proposed GCP funding that will provide services for youth and adult job seekers, persons who are homeless, and residents eligible within the gang injunction curfew settlement agreement. The department will continue to implement economic and workforce development programs within its budgeted resources to build an even better Los Angeles. We look forward to working with the members of the Budget and Finance Committee to develop a City budget that addresses the needs of the residents of the City of Los Angeles, including immigrants of all nationalities and ethnicities, as well as homeless and vulnerable members of our community.

We thank you for your time and consideration and look forward to discussing any other FY 2018-19 matters with you on April 27, 2018.

Sincerely,



JAN PERRY
General Manager

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