

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT



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April 24, 2020

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

**SUBJECT: ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT COMMENTS
ON THE MAYOR'S FISCAL YEAR 2020-21 PROPOSED BUDGET**

The Economic and Workforce Development Department (EWDD) has reviewed the Mayor's Proposed Fiscal Year 2020-21 Budget. The EWDD recognizes the City's financial condition and the new reality that the City must now make substantial sacrifices to address the impact of the COVID-19 pandemic, given the state of fiscal emergency declared by the Mayor in his Proposed Budget. The EWDD respectfully submits this correspondence to discuss the most critical items and the corresponding impacts to service levels.

The EWDD's services are critical to the City's COVID-19 disaster recovery efforts. Many thousands of workers and businesses have been severely impacted by the current crisis and are now seeking assistance from a number of services and programs provided by our Department including, but not limited to, the following: the Small Business Emergency Loan Program, the Rapid Response program, the Business Assistance Team, the LA:Rise Homelessness program, and the Hire:LA program. The severity of the crisis suggests these needs will continue far into fiscal year 2020-21.

Given the EWDD's critical role in COVID-19 disaster relief and recovery, as well as the increasing number of residents and businesses seeking our services, the following are of immediate concern to the Department:

Furlough Program

Department program staff is currently working to aggressively meet the increased needs of impacted residents and businesses primarily through the programs listed above. Department support staff is equally strained due to their efforts to provide program staff the needed resources and administrative reinforcement to provide disaster recovery services. As a result, a furlough program as included in the Mayor's Proposed Budget would reduce critical COVID-19 disaster recovery services to impacted residents.

Four Management Analyst positions requested in the EWDD's Proposed Budget are not included in the Mayor's Proposed Budget

A key component of the EWDD's Economic Development program is the implementation of the Jobs and Economic Development Incentive (JEDI) Program, which is critical to providing assistance to local businesses. Omitting these positions from the budget will impact the EWDD's disaster response efforts in assisting impacted businesses. The estimated cost of this request is \$295,338 for nine-months funding for the four positions.

CONCLUSION

We are pleased with the continued support for the EWDD's key Workforce Development and Economic Development programs. The Summer Youth Employment Program (SYEP) funds of \$2.8 million will allow the EWDD to continue current participant levels while meeting the increase in minimum wage. General Fund funding in the amount of \$3 million for the EWDD's LA:Rise Homelessness program will ensure that this vital service continues to address the needs of the City's homeless population.

Additionally, the EWDD appreciates the Mayor's support in providing the maximum funding of \$7.5 million to continue the legally-mandated Gang Injunction Curfew Settlement/ LARCA 2.0 program, as well as the continued General Fund funding for the EWDD's HireLA, YouthSource Centers, Day Laborer, and Cash for College programs.

Finally, the addition of the new Auditor position in our General Administration and Support Program will be instrumental in addressing current auditing levels as required by the EWDD's various federal and state grantors.

We thank you for your time and consideration and look forward to discussing EWDD's proposed FY 2020-21 budget.

Sincerely,



CAROLYN M. HULL
General Manager

CH:AS

cc: William Chun, Deputy Mayor, Mayor's Office of Economic Development
Brenda Shockley, Deputy Mayor, Mayor's Office of Economic Opportunity
Diana Mangioglou, Deputy Mayor, Mayor's Office
Richard Llewelyn Jr., City Administrative Officer
Sharon Tso, Chief Legislative Analyst