

CITY OF LOS ANGELES

CALIFORNIA



Workforce *Development* Board
City of *Los Angeles*

Workforce Development Board
CHARLES WOO
CHAIR



KAREN BASS
MAYOR



**Economic and Workforce
Development Department**
CAROLYN M. HULL.
GENERAL MANAGER

January 29, 2025

Council File Number:
Council Districts: All
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The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

City Council
c/o City Clerk
Room 395, City Hall

Attention: Legislative Coordinator

APPROVAL OF PROGRAM YEAR (PY) 2024-25 CARRY-IN REPORT TO REVISE (MODIFY) THE PY 2024-25 (JULY 1, 2024 - JUNE 30, 2025) WORKFORCE DEVELOPMENT ANNUAL PLAN AND ITS STRATEGIES, ACTIVITIES, AND BUDGET

SUMMARY

The General Manager of the Economic and Workforce Development Department (EWDD) and the Chair of the Workforce Development Board (WDB) respectfully submit this transmittal to recommend that the City Council adopt the Year 25 Program Year (PY) 2024-25 Annual Plan Carry-In Report (Carry-In Savings), as proposed by the EWDD and adopted by WDB, to ensure the uninterrupted provision of services to the City of Los Angeles (City) residents. The total revised (modified) revenue and carry-in amounts for the PY 25 WDB Annual Plan, through this Carry-In Report, is proposed at \$112.4 million, a decrease of \$6.2 million from the adopted amount of \$118.6 million. This decrease is primarily driven by unrealized or unfunded revenues offset by newly recognized grants and less carry-in savings from the prior year.

RECOMMENDATIONS

The General Manager of the EWDD requests that the City Council approve the following:

1. ADOPT the EWDD PY 2024-25 Carry-In Report;
2. APPROVE the proposed modifications to the PY 2024-25 WDB Annual Plan Budget (See Attachments 1 and 2);
3. AUTHORIZE the General Manager, EWDD, or designee, to:

- a. Transfer and re-allocate/re-appropriate funds, including the creation of new appropriation accounts, as-needed, from prior year savings for programs funded by the City General Fund, including but not limited to: Cash for College, Day Laborer Program; Hire LA; Los Angeles Regional Initiative for Social Enterprise (LA:RISE); YouthSource Centers (YSC); Summer Youth Employment; Angeleno Corps; Student to Student; etc, and also prior year savings from non-general funded grant programs and previous year closeouts, including California For All Youth (CFAY), Workforce Innovation and Opportunity Act (WIOA—formula, discretionary, and LA County passthrough) LA:RISE Youth Academy Homeless Housing Assistance and Prevention (HHAP), and other identified grants; and
 - b. Negotiate and execute agreements and or amendments to agreements necessary to implement the strategies and activities contained in this report, subject to approval by the City Attorney as to form and legality.
4. AUTHORIZE EWDD to amend and increase the contract ceiling amount for auditing services with Davis Farr LLP (C-145381) and UHY Advisors Mid-Atlantic (C-145604) to pay for the remaining PY 2023-24 and 2024-25 audits for up to a total not-to-exceed \$656,850, in aggregate, subject to approval by the Office of the City Attorney;
5. AUTHORIZE, and request the City Controller to process, a Reserve Fund loan (Fund 101/62) in the amount of \$10,000,000 for cash flow purposes to the EWDD, CFAY Workforce Development Grant Fund - Cycle 2 (Fund 67/22) to be repaid from CFAY Cycle 2.0 grant reimbursements; and
6. AUTHORIZE EWDD to prepare Controller instructions, including close-out reconciliation of previous year grants and CFAY loan advance, and/or technical adjustments necessary, subject to approval by the Office of the City Administrative Officer (CAO), to implement the Modified (Revised) PY 2024-25 Workforce Development Annual Plan budget, and to authorize the Controller to implement said instructions (Attachment 3).

FISCAL IMPACT

Approval of the proposed PY 25 Carry-In Report to revise (modify) the PY 25 WDB Annual Plan will not have a General Fund impact. This transmittal proposes to revise (modify) the PY 25 WDB Annual Plan budget from \$118,621,303 to \$112,432,441, which is a \$6,188,863 net decrease from the original PY 25 WDB Annual Plan adopted by City Council in June 2024 (CF No. 24-0643). The proposed decrease is primarily driven by unrealized anticipated revenues (\$8 Million) and unfunded LA:RISE Homeless Housing Assistance (\$2.1 million) budget allocation offset by new recognized grants (\$5 million) and carry-in savings (\$1.2 million) from the prior year.

BACKGROUND

The WDB Annual Plan requires that EWDD prepare a report that identifies:

1. All Carry-In funds from prior program years; and

2. Adjustments to actual revenues received for the current program year. The WDB Annual Plan requires that EWDD present this report to the WDB, City Council, and Mayor along with recommendations for the proposed use of such funds.

On June 26, 2024, the City Council adopted the PY 2024-25 Annual Plan for a total of \$118,621,303, which included an estimated WIOA budget of \$49,302,765 million (C.F. 24-0643).

This report includes a discussion related to the following items:

1. New Revenues and Carry-In Funds;
2. Modifications to the Annual Plan Budget; and
3. WIOA Administrative CAP (Cost Allocation Plan) Limit statement, including prior year close-out reconciliation of ten (10) grants and loan request to fund pending invoices related to the CFAY grant.

NEW REVENUES AND CARRY-IN FUNDS

EWDD has received the final allocation for all grants identified in the PY 2024-25 Annual Plan (Year 25). In addition, EWDD has completed the fiscal year close-out of PY 2023-24, including other previous year close-outs. Attachment 1 is a list of all funding sources and a comparison of the projected and actual PY 2024-25 new revenues and carry-in funds from prior program years.

The total revenue to date for EWDD is \$97,271,104. This amount represents a \$4.9 million decrease from the original revenue projection of \$102,242,368 in the PY 2024-25 Annual Plan (Year 25). Table 1 provides a comparison of major grant amounts adopted in the PY 2024-25 Annual Plan (Year 25), modifications to the original amounts (revised), and the net change (increase/decrease).

Table 1: Revenues - Proposed Modification = (\$4,971,264)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase / (Decrease)
WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) FORMULA			
Adult	16,039,523	16,039,523	0
Dislocated Worker	10,080,271	10,080,271	0
Youth	16,296,257	15,996,257	300,000
Rapid Response	875,467	875,467	0
Subtotal	43,291,518	42,991,518	300,000
WIOA DISCRETIONARY			
Farmer John Additional Assistance - WIOA 25% (F 57W)	675,000	0	675,000
2023 Severe Winter Storms NDWG	1,300,000	1,000,000	300,000
Quest NDWG	0	0	0
2024 Severe Winter Storms NDWG	2,100,000	0	2,100,000
Subtotal	4,075,000	1,000,000	3,075,000

Table 1: Revenues - Proposed Modification = (\$4,971,264) (continued)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase / (Decrease)
CALIFORNIA FOR ALL YOUTH			
Angeleno Corps	4,385,386	4,943,096	(557,710)
Automotive and Warehouse and Toolroom Internships	30,773	98,769	(67,996)
Clean LA	2,438,640	2,792,459	(353,819)
Early Childhood Education Student Advancement	1,179,893	1,157,232	22,661
LA Community College - City Pathways	928,831	1,345,379	(416,548)
LA City Pathways for Youth	1,200,852	1,502,203	(301,351)
LA Community Composting/Food Recovery	248,580	474,107	(225,527)
LA RISE Youth Academy	776,816	1,094,789	(317,973)
LA River Rangers	2,058,259	2,366,925	(308,666)
Student to Student Success	1,651,381	1,263,207	388,174
Summer Night Lights	1,100,299	1,295,252	(194,953)
Teen Parent Prosper Project	437,784	554,095	(116,311)
Youth & Community Harvest Internships	176,527	262,378	(85,851)
Digital Ambassador	455,900	574,361	(118,461)
Operation Flame Wildland Firefighting Academy	337,242	441,617	(104,375)
Pathways to Childcare	377,706	346,460	31,246
Senior Hospitality Internship for L.A. Youth	180,572	266,351	(85,779)
Program Evaluation & Project Planning	585,978	113,299	472,679
Marketing: Recruitment & Outreach	251,361	0	251,361
Grants Management - EWDD	2,089,198	0	2,089,198
Subtotal	20,891,978	20,891,978	0
LA CITY PROGRAMS			
Cash for College	49,000	49,000	0
Day Laborer	1,166,910	1,081,910	85,000
Gang Injunction Curfew (GIC) Settlement (LARCA 2.0, F 10B)	2,500,000	3,000,000	(500,000)
Hire LA	285,000	285,000	0
LA:RISE	3,000,000	3,000,000	0
LA:RISE-Homeless Housing Assistance & Prevention Program	0	2,000,000	(2,000,000)
Summer Youth Employment Program	3,000,000	3,000,000	0
YouthSource Centers	486,598	563,462	(76,864)
Subtotal	10,487,508	12,979,372	(2,491,864)
LA COUNTY GRANTS			
Systems Involved Youth	0	1,967,400	(1,967,400)
Youth at Work-Foster	0	653,700	(653,700)
JJCPA Probation	133,500	298,300	(164,800)
LA:RISE Measure H	3,960,000	3,000,000	960,000
Project Invest	558,000	693,200	(135,200)
Youth at Work - Consolidated (SIY, OUY, Foster)	7,087,600	5,338,700	1,748,900
WIOA Formula	343,600	343,800	(200)
Youth at Work-CalWorks	2,082,400	1,874,400	208,000
Subtotal	14,165,100	14,169,500	(4,400)

Table 1: Revenues - Proposed Modification = (\$4,971,264) (continued)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase / (Decrease)
OTHER FUNDS			
Bank of America	100,000	100,000	0
EWDD SYEP - Other Sources	110,000	110,000	0
DOL Community Projects Earmark - Vision Lab	1,000,000	1,000,000	0
WDB Workforce Development 501c3	300,000	0	300,000
U.S. Conference of Mayors Digital Equity (Moving on up)	250,000	0	250,000
DOJ Returning Citizens Housing Stability Pilot	1,000,000	0	1,000,000
Hilton Foundation Apprenticeship Program	100,000	0	100,000
James Irvine Foundation Workforce Capacity	500,000	0	500,000
Subtotal	3,360,000	1,210,000	2,150,000
ANTICIPATED REVENUES			
Anticipated Revenue – WIOA - Certified Pier Mental Health Project	500,000	0	500,000
Anticipated Revenue – EPA CRCD	500,000	0	500,000
Anticipated Revenue – WIOA	0	9,000,000	9,000,000
Subtotal	1,000,000	(9,000,000)	(8,000,000)
TOTAL NEW REVENUES	97,271,104	102,242,368	(4,971,264)

Table 2: Carry-In Funds - Proposed Modification = (\$1,217,598)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase / (Decrease)
WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) FORMULA			
Adult	1,481,827	2,276,776	(794,949)
Dislocated Worker	1,733,882	1,417,900	315,982
Youth	1,741,979	2,616,571	(874,592)
Subtotal	4,957,688	6,311,247	(1,353,559)
WIOA DISCRETIONARY			
Farmer Johns	150,729	791,226	(640,497)
2023 September Wildfires	193,144	182,603	10,541
Quest NDWG	40,331	39,780	551
Subtotal	384,204	1,013,609	(629,405)
COMMUNITY DEVELOPMENT BLOCK GRANT			
Childcare Initiative – COVID-19	0	0	0
Subtotal	0	0	0
CALIFORNIANS FOR ALL YOUTH			
Angeleno Corps	523,617	599,790	(76,173)
Automotive and Warehouse and Toolroom Internships	0	0	0
Clean LA	0	49,028	(49,028)
Early Childhood Education Student Advancement	0	30,800	(30,800)
Edible Food Waste Recovery	0	1,095	(1,095)
LA Community College - City Pathways	0	57,600	(57,600)

Table 2: Carry-In Funds - Proposed Modification = (\$1,217,598) (continued)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase / (Decrease)
LA City Pathways for Youth	0	0	0
LA Community Composting/Food Recovery	0	4,414	(4,414)
LA RISE Youth Academy	0	19,407	(19,407)
LA River Rangers	0	25,192	(25,192)
Non-Profit Apprenticeship	0	26,010	(26,010)
Student-to-Student Success	1,160,360	1,198,875	(38,515)
Summer Night Lights	0	25,423	(25,423)
Teen Parent Prosper Project	0	3,187	(3,187)
Youth & Community Harvest Internships	0	7,470	(7,470)
Digital Ambassador	0	6,566	(6,566)
Operation Flame Wildland Firefighting Academy	0	9,695	(9,695)
Pathways to Childcare	0	0	0
Hire LA Youth	364,405	364,405	0
Hire LA's Youth Platform Expansion	250,597	250,597	0
Senior Hospitality Internship for L.A. Youth	0	0	0
Program Evaluation & Project Planning	0	0	0
Marketing: Recruitment & Outreach	0	0	0
Grants Management - EWDD	380,575	0	380,575
Subtotal	2,679,554	2,679,554	0
LA CITY PROGRAMS			
Angeleno Corps	485,237	0	485,237
ARPA - Vision Lab	596,774	482,285	114,489
Day Laborer Program	20,198	186,400	(166,202)
GIC Settlement (LARCA 2.0)	388,775	182,935	205,840
Hire LA	3,891	88,928	(85,037)
LA:RISE	521,674	450,000	71,674
LA RISE Exp-ABH/Tiny Home	124,763	0	124,763
LA RISE Expansion - CD 10	191,931	0	191,931
LA:RISE-HHAPP	448,966	0	448,966
Prison to Emp Re-Entry - CD 5 & 8	127,197	0	127,197
Summer Youth Emp Program	275,204	254,173	21,031
Youth Jobs Training Prog CD 7	2,636,389	2,636,389	0
YouthSource Center	191,931	264,311	(72,380)
Subtotal	6,012,930	4,545,420	1,467,510
LA COUNTY GRANTS			
Juvenile Day Reporting Center	428,176	432,295	(4,119)
Regional Equity Recovery Partnership	168,159	173,002	(4,843)
Subtotal	596,335	605,297	(8,962)
OTHER FUNDS			
Bank of America	120,000	215,212	95,212
EWDD SYEP – Other Sources	0	186,400	186,400
Prison 2 Employment 2.0	129,014	103,808	25,206
DOJ Returning Citizens Housing Stability Pilot	0	1,000,000	(1,000,000)
Subtotal	530,626	1,223,808	(693,182)
TOTAL CARRY-IN FUNDS	15,161,337	16,378,935	(1,217,598)

Table 3 – Summary of Revenues

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase / (Decrease)
New Revenues	97,271,104	102,242,368	(4,971,264)
Carry-In Funds	15,161,337	16,378,935	(1,217,598)
TOTAL	\$112,432,441	\$118,621,303	(6,188,863)

As summarized in Table 3, the \$6.1 million net decrease in funding consists of \$4.9 million decrease in Revenues as identified (see Table 1), primarily driven by anticipated revenues/grants that did not materialize (\$8M) and unfunded LA:RISE Homeless Housing Assistance program (\$2.1M) offset by realized new grants (\$5M), and an additional \$1.2 million decrease in Carry-In or prior year savings (see Table 2) primarily driven by WIOA Formula and Discretionary funds obligated/encumbered before the Fiscal Year End 2023-24 deadline.

PROPOSED MODIFICATIONS TO THE ANNUAL PLAN

This report recommends modifying the adopted PY 2023-24 Annual Plan Budget from \$118,621,303 to \$112,432,441 with major modifications as indicated on Table 4 below:

Table 4: Proposed Modifications

	WIOA Formula	Other Workforce Grants	Total
EWDD Program Oversight	(1,306,349)	(661,667)	(1,968,016)
Workforce Dev Board Support (EWDD & Mayor)	(504,385)	(233,864)	(738,249)
Other City Departments	17,149	86,542	103,691
WorkSource & YouthSource Centers	(701,542)	4,720,708	4,019,166
Other Service Providers	663,817	(7,814,622)	(7,150,805)
Supporting Program Activities	(72,790)	(381,859)	(454,649)
TOTAL	(1,904,100)	(4,284,762)	(6,188,862)

EWDD Program Oversight – (\$1,968,016)

EWDD program oversight reflects a reduction of \$1,968,016. This reduction is the result of:

1. Realized savings resulting from department vacancies; and
2. Reduced department lease costs due to the relocation of EWDD headquarters.

Although vacancies yield personnel cost savings that are driven by delayed Priority Critical Hiring approvals and unavailable exam/certification list, this amount also has a direct inverse (negative) correlation to grant support and program services, including potential unrealized anticipated revenues, unused/unclaimed grant funds, and response rate to our granting agencies. EWDD will continue to closely monitor this area and advocate for speedy hiring approval to minimize service and compliance impact albeit a positive fiscal savings strategy. Lease costs will be covered by the City General Fund through February 2025 as recommended by the City's Municipal Facilities Committee with the remaining balance from grant sources herein from March through June 2025.

Workforce Development Board Support – (\$738,249)

Similarly, the WDB Board and Mayor’s Office budget were reduced due to the current vacancies and related share of lease costs.

Other City Departments – \$103,691

The proposed increase of \$103,691 reflects increased costs due to recently negotiated salary increases for several unions impacting our partnering departments, including EWDD. This increase includes recent cost-of-living adjustments and an anticipated 100% payout of unused personal leave and excess sick leave negotiated by city unions.

WorkSource and YouthSource Centers - \$4,019,166

WSCs and YSCs - Service Provider allocations reflect a net increase of \$4 million in funding. This is due to the allocation of previously unallocated special grants such as the 2024 Severe Winter Storm and High Road Training Partnership funding. Details are included in both the Service Provider and Supporting Program Activity Schedules.

Other Service Providers - (\$7,150,805)

Non-WSC/YSC Service Providers reflect a net decrease of \$7.1 million. This decrease is primarily due to the reduction in “Anticipated Revenues” which resulted in a decrease in “Other Service Providers” or “To be Determined” category of \$7.1 million.

Supporting Program Activities (\$454,649)

Supporting Program Activities include a net reduction of \$454,649 in funding. The following includes highlights of proposed changes:

- **WDB Innovation Fund - \$219,705**

EWDD proposes to increase the WDB Innovation Fund by \$219,705 to support WDB priorities, such as new pilot programs for older workers and/or homeless initiatives, HireLAX, Street Lights, etc. This proposal will make a total of \$1.2 million available for new programming.

- **HireLAX Support - \$100,000**

The HireLAX Pre-Apprenticeship Program is an eight-week training initiative that prepares local residents for apprenticeship opportunities and long-term careers in the construction industry. The program provides participants with hands-on training, career readiness support, and connections to industry pathways. To support the needs of participants, the program offers \$1,000 stipends to eligible participants and case management support. In Program Year 2023-2024, HireLAX successfully enrolled 80 individuals, helping them gain the skills needed to pursue careers in construction. Building on this success, we will continue to fund one cohort of 15 participants with \$1,000 stipends.

- Hollywood Entertainment Pathways - \$250,000

Launched in PY2023-24, the Hollywood Entertainment Pathways program is a vocational training program that prepares individuals to enter the entertainment union trades. Program participants are provided 12-18 months of housing at the Anti-Recidivism Coalition (ARC) all-male dorm located in Atwater Village, while enrolled in West Los Angeles College's Film/TV Production Crafts Certificate Program. As part of their curriculum, students are required to complete 600 hours of direct study. The program covers the entire spectrum of the entertainment industry's crew career pathways, including crafts often absent from formal learning environments, such as stagecraft, grip, set lighting, set painting, costuming and set dressing, as well as more traditional disciplines such as camera, sound, and editing. Upon completion, students are fast-tracked into over 10 different local unions under IATSE Southern California to begin their careers in the unionized entertainment trades. To help them focus on their studies, program participants are provided with a stipend of \$2,400 a month. The goal is to promote academic success among our residents, giving them the security and stability, they need to complete their studies.

- Inside Safe Job Connectors - \$513,763

The Inside Safe Job Connectors Program, part of Mayor Bass's Inside Safe initiative to combat homelessness, integrates workforce development services with housing support. Launched in April 2023, the program connects recently housed individuals to employment and educational opportunities through WSCs and YSCs. The program is seeking continued funding for eight Job Connectors, one program manager, and training services to sustain its impact. These Job Connectors are stationed across key regions of Los Angeles, including Central LA, East LA, South LA, and the Harbor, ensuring widespread accessibility. They provide comprehensive support to participants, including workforce action planning, enrollment in education and vocational training, job search assistance, and retention support. By accompanying participants during initial referrals and collaborating with case managers at the WSCs and YSCs, the program ensures seamless integration into workforce services, promoting long-term stability and self-sufficiency. This continued investment will enable the program to serve up to 200 participants annually, strengthening the critical connection between housing stability and economic mobility.

- Opportunity Youth Housing Support Pilot - \$640,897

Since the launch of the LA:RISE Youth Academy in 2021, the program has served more than 260 young adults, ages 18-30 who were either currently homeless (i.e. living on the street) or living in a homeless shelter. Because housing services are not always readily available, EWDD proposes to create a new pilot program to augment the LA:RISE Youth Academy. Through this pilot, service providers will make up to \$20,000 available for homeless youth and young adults in housing support while engaged in workforce training and work-experience programs available through the YSC and LA:RISE Youth Academy programs. The goal of this pilot program is to ensure that the lack of stable housing does not become a barrier to achieving educational and employment goals.

- Program Monitoring - (\$350,000)

The Year 25 Annual Plan allocated \$500,000 to support EWDD's program monitoring for workforce development subrecipients. Since the adoption of the Annual Plan, EWDD has completed its procurement of a contractor for this activity. The \$350,000 decrease reflects an equal amount allocated to New Ways To Work to complete 56 monitoring reports for both WSCs and YSCs. A balance of \$150,000 remains available for additional work orders should EWDD require additional support.

- Street Lights Pilot - \$33,000

The Street Lights Program is a workforce development initiative that provides vocational training, life skills, and career guidance to individuals with limited opportunities, creating pathways into well-paying careers in the entertainment industry. For over 30 years, Street Lights has equipped participants with the skills needed to improve their quality of life and build sustainable careers. Participants are prepared for roles ranging from Production Assistant to Producer and from Stylist to Showrunner, making meaningful contributions across every department in the industry. The program's goals remain consistent: to increase access to well-paying careers for individuals with limited or interrupted work histories, teach participants to compete and excel in today's workplace, eliminate reliance on public assistance, and supply the entertainment industry with a motivated and skilled talent pool. Participants complete an intensive 4 1/2-week job training program to gain the knowledge and experience necessary for success. The City will support outreach efforts and the placement of participants into the program while providing \$1,000 stipends to a cohort of 15 individuals, ensuring participants receive the resources needed to successfully launch their careers.

- Career Assessments - (\$200,000)

The Year 25 Annual Plan included \$200,000 to continue providing career assessments for YSC participants. Career Assessments were provided to YSC participants through Innersight. However, the program procurement is behind schedule. As a result, EWDD is proposing to discontinue this activity until a new procurement is completed.

- Disability Consultant - (\$200,000)

The Year 25 Annual Plan also included \$200,000 to support WSC's and YSC's expanded services to people with disabilities. This included funding for staff development and training as well as a review of YSC policies to promote increased enrollment of program participants. However, due to staff capacity constraints, EWDD cannot currently complete the required procurement. As a result, EWDD is proposing to postpone this critical program until PY2025-26.

- WDS Accessibility Technology - (\$250,000)

Similar to the prior item, the WDS Accessibility Technology activity intended to fund a consultant to review technology currently utilized by WSCs and YSCs including websites and hardware located at service locations with the goal of improving accessibility for people with disabilities. As with the prior item, this also requires EWDD to complete a procurement. Due to staff capacity, EWDD proposes the postponement of this program until PY2025-26.

Various California For All Allocations

- Senior Hospitality Internship - \$180,572

Allocated \$90,000 for each Youth Source Center site at El Proyecto Del Barrio (total of \$180,000) from the Senior Hospitality Internship budget, leaving the \$572 unallocated to be used as needed or used by the existing YSC or other service provider or transferred to another program as-needed. No change to the total funding amount.

- City Pathways - \$20,000

Allocated \$20,000 (or \$5,000 each) from the Marketing and Recruitment TBD program to fund four service providers - Catholic Charities of Los Angeles, Para Los Niños, Coalition for Responsible Community Development, and El Proyecto Del Barrio - to provide additional support services related to the City Pathway program. The Marketing and Recruitment budget was decreased to \$231,361 while the City Pathways program increased to \$1.22 million. No net impact to the CFAY budget.

- Early Childhood Education - \$1,179,893

Set Aside \$60,000 from the Workforce Consultant TBD line item to help support and continue employment for 15 HireLA City Pathway Youth. The amount may be transferred as needed from this program to assist the City Pathway program. Set aside an amount of \$30,000 to the Coalition for Responsible Community Development and \$30,000 to Para Los Niños.

WIOA ADMINISTRATIVE CAP LIMIT

WIOA funds are subject to a 10 percent administrative cap as set forth in the WIOA Final Rule 20 CFR Parts 683.205 and 683.215. These specific administrative functions, as defined in the federal regulations, include City administrative salaries and corresponding fringe benefits and expenses, City central services (indirect costs), WIOA's share of City Attorney, Controller, and Personnel Department's support costs, and the administrative costs of the WSC. The total WIOA administrative costs reflected in the modified Annual Plan budget are within the mandated 10 percent administrative limit.

OTHER ITEMS**Reconciled Close-Out Funds (Grants)**

EWDD is in the process of administratively closing out ten unreconciled previous year grant funds - Fund 44A, 51G, 52Q, 54P, 54R, 56F, 56K, 57A, 58Y, and 59R - at an aggregate approximate amount of \$2 million on request by the Offices of the City Controller and CAO. The reconciliation amount represents funds earned from interest not used or refunded, unused funds due to staffing or program delays, or pending reimbursements. These funds will either be transferred to existing grants upon approval by the granting agencies via a proposed modification/amendment or refunded back to the grantor after reconciliation. This will not have an impact on the proposed revised PY 2024-25 Annual Plan - rather fund transfers/refunds will yield a reimbursement to the General Fund (i.e., revenue due from prior years) or refund to the grantor. Therefore, approval to move forward with these transactions will be included in the Controller Instructions (Attachment 3) to administratively close out these grants/funds in the City's Financial Management System.

California For All Youth Temporary Loan & Reserve Fund Loan

EWDD is proposing to temporarily borrow up to \$10 million from Fund 551 - General Funded Grant Programs - to pay for invoices related to the CFAY grant program Cycle 1. To date, the State of California has claimed approximately \$33.2 million through June 2024 in expenses and has not yet reimbursed the City approximately \$24.2 million. EWDD anticipates submitting two to three additional claims for an aggregate approximate amount of \$16 million by March 2025 to close out the grant as of December 31, 2024. The State has indicated a check in the amount of \$2.4 million is forthcoming and anticipated on or by December 31, 2024 yet the amount has not been received by EWDD. Subsequent to the release of the proposed revisions to the WDB, the EWDD had a series of discussions with the State of CA urging them to consider the release of funds. Per the State of CA, five reimbursements will be approved in the aggregate amount of \$23.1 million and are expected to be received by mid-February, which includes the anticipated \$2.4 million. However, due to the uncertainty, timing, and urgency to pay our subrecipients, additional funding to continue paying our obligations. Instructions to temporarily borrow up to \$10 million from Fund 551 will be included in the Controller's Instructions if approved (Attachment 3). Therefore, EWDD is requesting authority to temporarily borrow up to an additional \$10 million from Fund 551 to help alleviate the cash flow needed to pay invoices from October through December 2024. This will reduce the need for a new general fund reserve loan and allow time to advocate expediency from the State in processing pending reimbursements.

In addition, EWDD is requesting a \$10 million reserve fund loan from Fund 101/62 to Fund 67R/22 for the CFAY 2.0 grant implementation to front fund approximately five to six months of operations (Jan - June 2025) until a first reimbursement is received from the State of CA. Since the timing of anticipated reimbursements from the State for CFAY 1.0 has been delayed (e.g. 12-15 months from current experience), EWDD will need the cash flow (front funding) to pay the first wave of CFAY 2.0 invoices promptly as they are expected in February 2025 to early March 2025 and avoid any service interruptions at the onset of the grant. This urgency is coupled with the delay in obtaining approvals to accept CFAY 2.0 grant funds (CF 24-1067).

WDB ACTION

On January 9, 2025, in accordance with the Workforce Development Board-Local Elected Officials (WDB-LEO) Agreement, the WDB Executive Committee considered and approved the proposed PY 2024-25 Carry-In Report and its revisions (modifications) to the PY 2024-25 WDB Annual Plan.



CAROLYN M. HULL
General Manager



CHARLES WOO, Chair
Workforce Development Board

CMH:GR:FC:DB:te:nt:cg

- Attachments:
1. Carry-In vs. Year 25 Annual Plan
 2. Modified Annual Plan Budget Schedules
 3. Carry-In Report Controller Instructions (to be submitted separately)