

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: June 17, 2021

TO: Honorable Members of the Economic Development and Jobs Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 21-0647
Assignment No: 21-06-0480

Workforce Development Board Annual Plan Program Year 2021-22 New Policies

SUMMARY

The Economic and Workforce Development Department (EWDD) prepares the City of Los Angeles Workforce Development Annual Plan (Annual Plan) at the direction of the Workforce Development Board (WDB), City Council, and Mayor. The Annual Plan establishes the budget and priorities for the City's Workforce Development System (WDS) which provides the following:

- Workforce and training for adults in the City's WorkSource Centers
- Education and employment support for youth in the City's YouthSource Centers

The Annual Plan also includes the budget for the City's WDS for the upcoming Fiscal Year. The Annual Plan was released to Council on June 9, 2021. The City Administrative Officer (CAO) will report on the Annual Plan budget under separate cover.

This report provides an overview of the proposed new policies included in the Annual Plan and recommends a six-month extension to the Workforce Development Board/Local Elected Officials (WDB/LEO) Agreement to December 31, 2021.

Policies

It has been the practice since the Program Year 2 Annual Plan (2001-02) to include policies in the Annual Plan that govern the use of Workforce Innovation and Opportunity Act (WIOA) funds. Policies are drafted in response to new City, State, and federal requirements and codify operating efficiencies identified by EWDD staff.

There are a total of 66 policies that govern the delivery of services in the 2021-22 Annual Plan (C.F. 21-0647). Of the 66 policies, 50 previously approved by Council have been adopted without change. Fourteen have been revised to provide additional information or to simplify their application.

The remaining two policies are new, subject to approval, and are listed below:

1. Budget Submission Guidelines
2. Electronic Signature Policy

As further detailed in the Background section, our Office recommends approval of these new policies as they streamline the administration of WIOA funds and provide further clarity and guidance to contractors who use these funds to provide services to City residents.

WDB/LEO Agreement

Terms for the City's oversight of the WDB are set forth in the WDB/Local Elected Officials (LEO) Agreement which is prepared every four years. Our Office is currently engaged in negotiations with the Mayor's Office and the WDB on a new WDB/LEO Agreement for the term Fiscal Years 2020-24. Due to delays associated with the COVID-19 pandemic, on June 30, 2020, the Council extended the agreement by one year to June 30, 2021 (C.F. 20-0673).

At this time, it is recommended that the WDB/LEO Agreement be extended by an additional six months from June 30, 2021 to December 31, 2021 to allow the negotiations to be completed. It is further recommended that our Office be instructed to continue to negotiate the WDB/LEO Agreement and to report to Council with recommendations for its implementation.

RECOMMENDATIONS

That the City Council:

1. Approve and implement all proposed new policies included in the Program Year 2021-22 Workforce Development Board Annual Plan, attached to the Council File.
2. Request the Workforce Development Board (WDB), and instruct the Economic and Workforce Development Department, to monitor the implementation of the modified and proposed new policies and report on any impact incurred by the operators or the Department.
3. Authorize an extension of the Workforce Development Board/Local Elected Officials Four-Year Agreement (WDB/LEO Agreement) by six months to December, 31 2021.
4. Instruct the Chief Legislative Analyst, in consultation with the City Attorney, to continue to review and negotiate the WDB/LEO Agreement on behalf of the City Council and to report to Council with recommendations for its implementation.

FISCAL IMPACT

The recommendations in this report will not result in a fiscal impact to the General Fund.

BACKGROUND

The Program Year 22 Workforce Development Board Annual Plan for Program Year 2021-22 (2021-22 Annual Plan) details how major funding sources for workforce development programs will be allocated, and is aligned with the City's Fiscal Year. The 2021-22 Annual Plan is consistent with the federal Workforce Innovation and Opportunity Act (WIOA). The 2021-22 Annual Plan was transmitted to Council on June 14, 2021.

Annual Plan Budget

For Program Year 2021-22 (July 1, 2021-June 30, 2022), the City will receive approximately \$35.89 million in WIOA Adult, Dislocated Worker, Youth, and Rapid Response Formula funds from the State and approximately \$52.83 million in workforce-related grant funds that have been secured from State and other sources. In addition, there is \$6 million in carry-over funds available from prior years.

Total funding for WDS activities for Program Year 2021-22, including carry-over funds, is projected to be approximately \$95.05 million. The CAO will report on the Annual Plan budget under separate cover.

Annual Plan Policies

There are a total of 66 policies that govern the delivery of services in the 2021-22 Annual Plan. Of the 66 policies, 50 previously adopted by Council have been approved without change and 14 have been revised to provide additional information or to simplify their application. The remaining two policies are new, subject to approval, and are discussed below:

1. Budget Submission Guidelines

The WIOA and other funding sources require budgets to be prepared for each funding source. The proposed Budget Submission Guidelines policy would codify existing procedures that EWDD follows to prepare these budgets. The EWDD states that the proposed policy would clarify the budget preparation process for City staff and contractors and will help expedite the contracting and payment process.

2. Electronic Signature Policy

The EWDD reports that the State has recently updated the CalJOBS system at WorkSource and YouthSource centers to allow clients to sign documents electronically when in-person appointments are not available. In addition, the policy is also a response to social distancing requirements that were enacted during the COVID-19 pandemic.

WDB/LEO Agreement

Terms for the City's oversight of the WDB are set forth in the WDB/Local Elected Officials (LEO) Agreement which is prepared every four years and is separate component of the Annual Plan process. The CLA is currently engaged in negotiations with the Mayor's Office and the WDB on a new WDB/LEO Agreement for the term Fiscal Years 2020-24. On June 30, 2020, the Council extended the current agreement in effect by one year to June 30, 2021 (C.F. 20-0673).

Due to delays associated with the COVID-19 pandemic, additional time is needed to finalize these negotiations. Therefore, it is recommended that the agreement be extended by six months from June 30, 2021 to December 31, 2021. It is further recommended that the CLA be instructed to continue to negotiate the WDB/LEO Agreement on behalf of the City Council and report to Council with recommendations for its implementation.

Conclusion

Our Office recommends approval of the new and revised policies inasmuch as they provide greater oversight of funds, are aligned with City policies, and are required by the WIOA. In addition, we recommend that staff be instructed to monitor these policies and report on any impact incurred by the operators or the EWDD as a result of the implementation of the new policies. Finally, we recommend that the Council extend the WDB/LEO Agreement by an additional six months to December 31, 2021.

Brian Randol

Brian Randol
Analyst