

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: December 2, 2021

TO: Honorable Members of the Los Angeles City Council

FROM: Sharon M. Tso *KEK for*
Chief Legislative Analyst

Assignment No. 21-08-0640

SUBJECT: Workforce Development Board/Local Elected Officials Four-Year Agreement

SUMMARY

On June 30, 2021, the City Council instructed this Office, in consultation with the City Attorney, to review and negotiate the Workforce Development Board (WDB) and Local Elected Officials (LEO) Four-Year Agreement (Agreement) on behalf of the City Council, and report with recommendations for its implementation (C.F. 21-0647). The current Agreement was approved by Council in June 2016 (C.F. 16-0475) with extensions approved on June 30, 2020 (C.F. 20-0673) and June 30, 2021 (C.F. 21-0647), and is set to expire December 31, 2021.

WDB staff have reviewed the current Agreement and recommend changes. These changes have been presented to the WDB on two occasions and have now been transmitted to the Council for review. As instructed by Council, the CLA, with the assistance of the City Attorney, has reviewed the draft Agreement and recommends additional changes to improve and maximize accountability, efficiency, and oversight of the City's workforce development funds, programs, and services, pursuant to the Workforce Innovation and Opportunity Act (WIOA). Recommendations are included in this report to extend the Agreement for six months to continue the negotiations.

This report includes: 1) background information on the federal WIOA; 2) a review of the draft WDB/LEO Four-Year Agreement; 3) overview of regional planning efforts; 4) proposed WDB staffing changes; and 5) proposed changes to the WDB Executive Committee to ensure greater transparency, oversight, and efficiency of workforce development activities.

RECOMMENDATIONS

That the City Council:

- 1) Extend the Workforce Development Board (WDB)/Local Elected Officials (LEO) from December 31, 2021 to June 30, 2022 to continue the negotiations.
- 2) Instruct the Chief Legislative Analyst, with the assistance of the City Attorney, to amend the Workforce Development Board (WDB)/Local Elected Officials (LEO) Four-Year Agreement by incorporating the following provisions:
 - a) "WDB Executive Director" shall mean the Chief Executive Officer of the WDB who is selected by the Mayor to provide policy advice to the WDB and to perform

certain policy-related tasks under the supervision of the WIOA Administrator (Economic and Workforce Development Department) with daily consultation and support from the WDB President and the Mayor.

- b) “WDB Executive Staff” shall mean the WDB Executive Director and those City employees assigned to provide policy advice to the WDB and to perform certain policy-related tasks under the supervision of the WIOA Administrator (Economic and Workforce Development Department) with daily consultation and support from the WDB President and the Mayor.
 - c) Should the need to collaborate with other local or regional boards arise, the WIOA Administrator (Economic and Workforce Development Department) shall report to the Economic Development and Jobs Committee (EDJC), or its successor, in order to receive guidance on how such collaboration shall take place. In the event there is insufficient time to obtain EDJC’s guidance before making a decision on collaboration with other local or regional boards, the WIOA Administrator shall provide input to the WDB on behalf of EDJC and report the same to the EDJC at the next EDJC meeting. In cases where the EDJC’s guidance conflicts with WDB’s position and a compromise is not reached, the decision of the EDJC as represented by the WIOA Administrator, shall prevail.
 - d) The Executive Committee shall be comprised of WDB Officers (i.e., the WDB Chair, the WDB Secretary, the WDB Treasurer, Vice Chairs/the Chairs of WDB Standing Committees) and a person designated by the City Council Chair of the Economic Development and Jobs Committee. The WDB Chair shall have the authority to appoint up to two (2) additional WDB members to the Executive Committee, subject to the approval of the full WDB, consistent with the current WDB Bylaws. No fewer than 50 percent plus one members of the Executive Committee shall be WDB representatives of private industry/business, as required by federal law.
3. Instruct the Chief Legislative Analyst, with the assistance of the City Attorney and the WIOA Administrative Entity, to review the WDB Bylaws and report to Council with recommendations to improve the representation and composition of the WDB membership, including the Youth Council, and ensure that the City and WDB are meeting the needs of job seekers and employers.

FISCAL IMPACT

Approval of the CLA recommendations will have no impact on the General Fund.

BACKGROUND

In June 2021, the City Council instructed this Office, in consultation with the City Attorney, to review and negotiate the WDB/LEO Four-Year Agreement on behalf of the City Council, and report with recommendations for its implementation (C.F. 21-0647). In response to the Council’s request, our Office reviewed the amendments proposed by WDB staff, examined WDB Executive Committee meeting minutes between 2019 and 2020, met with EWDD and Los Angeles County

workforce development staff, and consulted with the City Attorney. Through this process, several opportunities were identified to strengthen the Council's presence in the decision-making process of workforce development activities locally and regionally.

The section below provides an overview of the WIOA and its provisions requiring local development boards, agreements between local boards and local elected officials, and regional planning efforts for local and regional workforce development activities. This section also includes an analysis of proposed changes to the WDB/LEO Agreement which will provide the Council with more direct oversight of the City's workforce development programs and the ability to provide direct guidance with respect to the decision-making process in terms of regional planning efforts under the WIOA.

1. Workforce Innovation and Opportunity Act (WIOA)

The WIOA was signed into federal law in 2014 to help job seekers access employment, education, and training to succeed in the labor market and to match employers with skilled workers needed to compete in the global economy. The WIOA, which replaced the Workforce Investment Act of 1998, consolidated the core elements of federal investment in skill development, including employment and training services for adults, dislocated workers, and youth, as well as adult education, family literacy, and vocational rehabilitation services.

The WIOA provides federal funding for local workforce development systems governed through partnership among local elected officials, industry, and other prescribed local stakeholders. It authorizes local elected officials to oversee the administration of WIOA funds and take certain actions to address the employment, training, education, and support services needs of the local area. For the City, the LEO consists of the Mayor and Council. The WDB Bylaws require between 23 and 39 voting members duly appointed by the Mayor and confirmed by the Council pursuant to State and federal guidelines. Federal law requires that fifty percent plus one of WDB voting members consist of representatives of private industry and at least 15 percent shall represent labor organizations. Members are appointed to two-year terms and officers of WDB standing committees¹, including the Chair of the WDB, are subject to a vote of the full WDB.

Pursuant to the WIOA, the LEO and the WDB share authority, responsibility, and oversight for WIOA workforce development funds, programs, and services. Such coordination and cooperation presents opportunities for greater success in addressing local workforce development needs. To ratify such roles and responsibilities, the WIOA requires the establishment and approval of a Four-Year Agreement between the WDB and LEO to successfully implement workforce programs without compromising the City's liability. The Agreement provides flexibility to mobilize public and private sector cooperation to create a better trained workforce within the City.

¹ WDB Standing Committees include the WDB Oversight Committee, the WDB Business Services, Marketing and Resource Development (BSMRD) Committee, the WDB Nominations/Membership Committee, and the WDB Youth Council.

2. Los Angeles Basin Regional Planning Unit

There are 45 Local Workforce Development Areas throughout the State. Seven are in the Los Angeles area: the City of Los Angeles WDB, which covers a single municipality; five consortia WDBs; and the County of the Los Angeles WDB which represents 58 cities. The five consortia WDBs, which are separate from the County, include: Foothill WDB, representing six cities; Pacific Gateway Investment Network, representing two cities; South Bay WDB, representing 11 cities; Southeast Los Angeles County WDB, representing seven cities; and Verdugo WDB, representing three cities. These seven boards constitute the members of the Los Angeles Basin Regional Planning Unit (RPU), also a requirement of the WIOA.

As required by the WIOA, the City has provided leadership to cross-jurisdictional efforts aimed at developing regional workforce development strategies. The RPU aims to develop and implement decision-making structures that will strengthen workforce activities and performance at the regional level.

The RPU supports the State's goal of building regional sector pathways, increasing employer engagement, and developing regional communications efforts between the regional boards. Because the regional decision-making process impacts workforce related activities of the City's workforce, employers, and other stakeholders, the Council should be informed and play an active role in determining how to best serve the constituents of the City of Los Angeles in terms of all policy, funding, and financial workforce development opportunities available to the City through regional plans.

As an example, the Economic and Workforce Development Department reports that in 2019, the Los Angeles Basin Regional Planning Unit applied for \$17 million of State Prison to Employment (P2E) funds. The goal was to expand employment training services to the reentry population by creating a systematic and ongoing partnership between rehabilitative programs within the California Department of Corrections and Rehabilitation (CDCR) and the State workforce system. In March 2019, the City was notified that the LA Basin RPU was awarded a total of \$8.27 million to be administered by the South Bay WDB. In January 2020, the City received \$2.8 million of the funds awarded to the region.

While this program is a major accomplishment for the reentry population, the region, and the City, the Council, as a partner of the WDB/LEO Agreement should have had the opportunity to provide more guidance with respect to the application, solicitation, and negotiations of regional planning. Currently, Executive Director has represented the City in regional planning meetings. The City Council should be included in the decision-making process of any future funding opportunities and collaboration, beyond just acceptance of the funds.

This report includes recommendations authorizing the Administrative Entity (Economic and Workforce Development Department) to represent the City in regional planning meetings and report to Council when new regional opportunities become available. Under the proposed WDB/LEO Agreement, the WIOA Administrator (EWDD) would be authorized to report to the City Council when the need to collaborate with other local or regional board arises in order to receive guidance on how such collaboration shall take place. This proposed amendment also

stipulates that when there is insufficient time to obtain guidance from the Council before making a decision on collaboration, the WIOA Administrator shall provide input to WDB on behalf of the Council or the Economic Development and Jobs Committee (EDJC). In cases where the EDJC's guidance conflicts with WDB's position and a compromise is not reached, the decision of the EDJC as represented by the WIOA Administrator, shall prevail.

3. City WDB/LEO Agreement

The WIOA requires WDB/LEO Agreements to be negotiated and renewed every four years. The most recent City WDB/LEO Agreement was approved by Council on June 24, 2016 (C.F. 16-0475) for the term July 1, 2016, through June 30, 2020. Inasmuch as negotiations have continued past the expiration date, the City Council has approved several extensions to the Agreement through December 31, 2021 to avoid a lapse in workforce development services.²

As part of the negotiations process, WDB staff made revisions to the WDB/LEO Agreement which were presented to the WDB on November 14, 2019 and January 8, 2020 for consideration and input. The draft Agreement been transmitted to the Council for consideration. Our Office reviewed the draft Agreement and sought input from the City Attorney. The City Attorney has stated that the amendments proposed by WDB staff do not change anything that is prescribed under law and do not reduce or increase the authority for any of the parties in the Agreement. While the revisions proposed by WDB staff are recommended for approval, additional changes to the Agreement are also recommended to strengthen Council's direct oversight of the City's workforce development activities and ability to provide more guidance over regional planning efforts as required by the WIOA.

4. Proposed WDB Staffing Changes

The Executive Director of the WDB is a City employee currently supervised by the Mayor, with daily consultation from the WDB Chair/President. While the Executive Director is currently supervised by the Mayor, the salary is funded through Economic and Workforce Development Department WIOA grant funds. Potential conflicts have been reported where it is not clear to whom the Executive Director should be reporting. Placing this position under the supervision of the WIOA Administrator (EWDD) would provide greater Council oversight, increase efficiencies, eliminate potential conflicts, increase transparency and accountability, and clarify to whom the Executive Director should report.

In addition, the proposed structure would be consistent with the County's WDB Executive Director reporting structure. The County's WDB Executive Director reports to and is supervised by the County of Los Angeles Department of Workforce Development, Aging, and Community Services. This structure appears to have a clearly defined chain of command and would minimize the risk of potential liability should the City adopt a similar structure. It is therefore recommended that the WDB Executive Director and WDB Executive Staff report directly to the WIOA Administrator (EWDD) as follows:

² The City first established a local board under the Workforce Investment Act (WIA) in 2000 through the Workforce Investment Board (WIB)/Local Elected Officials (LEO) Agreement.

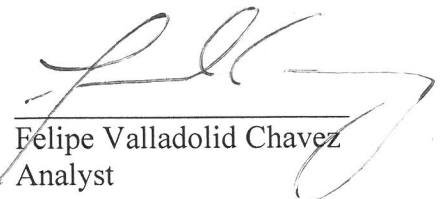
- a) "WDB Executive Director" shall mean the Chief Executive Officer of the WDB who is selected by the Mayor to provide policy advice to the WDB and to perform certain policy-related tasks under the supervision of the WIOA Administrator (Economic and Workforce Development Department) with daily consultation and support from the WDB President and the Mayor.
- b) "WDB Executive Staff" shall mean the WDB Executive Director and those City employees assigned to provide policy advice to the WDB and to perform certain policy-related tasks under the supervision of the WIOA Administrator with daily consultation and support from the WDB President and the Mayor.

5. Proposed Change to the WDB Executive Committee

The WIOA requires the collaboration of the WDB and local elected officials for the implementation of workforce development strategies. In the City, this includes the Mayor and Council. The Agreement defines the roles and responsibilities of each of the parties. The WDB Bylaws currently provide that the WDB Executive Committee is comprised of the WDB Chair, Secretary, Treasurer and Vice Chairs of WDB standing committees, and two additional WDB members appointed by the Chair. This structure currently includes representation from the Mayor and WDB, but excludes Council participation. As federal and State agencies encourage collaboration among all local parties in terms of regional plans and strategies, it would be in the best interest of the City and its constituents to include the City Council, as the legislative arm of the City's policy-making process, as part of the WDB Executive Committee. It is therefore recommended that the WDB/LEO Agreement and the Bylaws be amended to authorize the City Council Chair of the Economic Development and Jobs Committee to designate a person to represent the Council in WDB Executive Committee meetings as follows:

The Executive Committee shall be comprised of WDB Officers (i.e. the WDB Chair, the WDB Secretary, the WDB Treasurer, WDB Vice Chairs/the Chairs of WDB standing committees) and a person designated by the City Council Chair of the Economic Development and Jobs Committee. The WDB Chair shall have the authority to appoint up to two (2) additional WDB members to the Executive Committee, subject to the approval of the full WDB, consistent with current WDB Bylaws. No fewer than 50 percent plus one members of the Executive Committee shall be WDB representatives or private industry/business, as required by federal law.

The proposed changes have been vetted with the City Attorney and discussed with EWDD, as the WIOA Administrator, to ensure that the proposed structure meets State and federal guidelines. It has been determined that this would provide the City Council more direct involvement in the workforce development decision-making process.


Felipe Valladolid Chavez
Analyst