

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 15, 2022

CAO File No. 0220-05667-0001
Council File No. 16-0081-S3
Council District: All

To: The Council
The Mayor

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Economic and Workforce Development Department Transmittal dated December 9, 2021; additional information received through February 11, 2022

Subject: **REQUEST FROM THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT TO ALLOCATE \$2.75 MILLION TO THE GANG INJUNCTION CURFEW SETTLEMENT PROGRAM FOR FISCAL YEAR 2021-22**

RECOMMENDATION

That the Council, subject to the approval of the Mayor:

1. APPROVE the funding recommendation of the Economic and Workforce Development Department and the Workforce Development Board of \$2,750,000 to support ongoing Gang Injunction Curfew Settlement Program expenses through the current program year ending June 27, 2022, as follows:

Service Providers	\$2,500,000
City Departments	<u>250,000</u>
Total	\$2,750,000

2. APPROVE the service provider allocations as detailed by the Economic and Workforce Development Department and the Workforce Development Board in Table 3 of their transmittal, dated December 9, 2021, and summarized in the Attachment to this report.
3. AUTHORIZE the Controller to:
 - a. Establish a new account, No. 22V887, titled “Gang Injunction Curfew Settlement – City General Fund” within the Gang Injunction Curfew Settlement Fund No. 10B;
 - b. Transfer \$2,750,000 from the Unappropriated Balance Fund No.100/58, Account No. 580196, Reserve for Mid-Year Adjustments, to the Gang Injunction Curfew Settlement Fund No. 10B/22 as follows:

Account No.	Account Title	Amount
22V887	Gang Injunction Curfew Settlement – City General Fund	\$2,500,000
22V112	City Attorney	16,100
22V122	Economic and Workforce Development	229,535
22V166	Personnel	4,365
Total		\$2,750,000

- c. Increase appropriations within the Economic And Workforce Development Department Fund No. 100/22, as follows:

Account No.	Account Title	Amount
001010	Salaries General	\$172,627
001070	Salaries, As Needed	1,088
001090	Overtime General	12,159
002120	Printing and Binding	25
002130	Travel	53
003040	Contractual Services	4,084
003310	Transportation	5
006010	Office and Administrative	3,690
006020	Operating Supplies	5
006030	Leasing	35,799
Total		\$229,535

- d. Increase appropriations within City Attorney Fund No. 100/12, Account No. 001010, Salaries General, in the amount of \$16,100; and,
- e. Increase appropriations within the Personnel Department Fund No. 100/66, Account No. 001010, Salaries General, in the amount of \$4,365.
4. AUTHORIZE the General Manager of the Economic and Workforce Development Department, or designee, to:
- a. Amend agreements with service providers, as detailed by the Economic and Workforce Development Department and the Workforce Development Board in Table 3 of their transmittal, dated December 9, 2021, and summarized in the Attachment to this report; and,
 - b. Prepare Controller instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

SUMMARY

The Gang Injunction Curfew Settlement Agreement (GICSA) (C.F. 16-0081) was executed and approved by the federal court in April 2017. The GICSA obligated the City, through the Economic and Workforce Development Department (EWDD), to provide a variety of work-readiness and employment services over four years to help prepare members of the impacted plaintiff class (or their qualifying designees) to enter the workforce. The number of potentially qualifying participants is approximately 6,000. The City was required to expend a minimum of \$1.125 million to a maximum of \$7.5 million each year for four years to provide jobs, education, and tattoo removal services. EWDD's program design incorporates best practices from a previous workforce development program known as the Los Angeles Reconnections Academy (LARCA), which includes education and career assessments, case management services, job readiness training, subsidized employment, financial literacy training, and job placement services. In June 2017, as part of the Program Year 2017-18 Workforce Development Board Annual Plan, the Council and Mayor approved authority for EWDD to procure service providers and negotiate and execute agreements to implement City services under the legally-mandated GICSA (C.F. 17-0635). From Fiscal Year (FY) 2016-17 to date, the City has provided a total of \$10,263,431 from the General Fund to implement the GICSA.

The original GICSA program operated from June 1, 2017 to June 27, 2021. On September 23, 2020, the Council and the Mayor approved the first program extension, from June 27, 2021 through December 27, 2021, to allow additional participants to enroll (C.F. 17-0026). At that time, the EWDD was able to continue operating the program without additional funding by utilizing savings from prior program years. On June 1, 2021, the Council and the Mayor approved the second program extension from December 27, 2021 through June 27, 2022, without allocating additional funding to the program (C.F. 17-0026). EWDD reimburses contractual expenses following the receipt and processing of invoices, and expends from the balance of funds on a rolling basis.

In December 2021, the EWDD reported an ongoing increase in enrollments and corresponding expenditures, and requested \$2.75 million to meet projected funding needs through the end of the second approved program extension (through June 27, 2022). EWDD anticipates over 150 additional enrollments by the end of the current FY, and an additional cost ranging from \$2.5 to \$4 million. The following table summarizes enrollments and expenses by FY for the GICSA Program.

Fiscal Year	Enrollments	Program Expenses
2016-17	0	\$1,371,746
2017-18	110	1,981,475
2018-19	254	1,576,478
2019-20	103	919,474
2020-21	273	2,979,539
2021-22*	104	1,256,877
Total	844	\$10,085,589

*Data through December 31, 2021.

Subsequent to the release of the transmittal from EWDD, on February 2, 2022, the Council voted to approve a third extension to the program, from June 27, 2022 through June 27, 2023 (C.F. 17-0026). Should the Mayor concur with the third extension, potential participants will have until March 27, 2023 to enroll under the agreement. EWDD projects the cost of an additional program year would be \$6,000,000. This Office has advised the Department to submit a supplemental budget request for funding this additional program year to the Mayor for consideration as part of the 2022-23 Proposed Budget. This Office also recommends that any uncommitted funds from the \$2,750,000 recommended in this report that are available at the close of June 2022 be used to support funding needs for the third program extension period.

FISCAL IMPACT STATEMENT

There is no additional impact to the General Fund. The recommendations in this report transfers \$2,750,000 from the 2021-22 Unappropriated Balance, Reserve for Mid-Year Adjustments account.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies inasmuch as the Unappropriated Balance, Reserve for Mid-Year Adjustments, is used to address shortfalls that arise during the year. Additionally, changes to budget appropriations during the fiscal year shall be limited and subject to the review and approval of the Mayor and the City Council.

MWS:SRB:02220101

Attachment

ATTACHMENT

Economic and Workforce Development Department
 Gang Injunction Curfew Settlement Program
 New Allocations and Revised Contract Amounts for Service Providers

EWDD Ref. No.	Contract No.	Contractor	New Allocation	Revised Contract
3	C-129709	Arbor E&T, LLC - Canoga Park	400,000	1,078,000
4	C-129464	Asian American Drug Abuse Program, Inc.	400,000	855,644
6	C-131188	Catholic Charities	200,000	400,070
7	C-129853	City of Long Beach (Pacific Gateway)	150,000	593,000
8	C-129467	Coalition for Responsible Community Development	100,000	250,000
10	C-129492	Downtown Women's Center	100,000	160,000
11	C-129544	El Proyecto del Barrio, Inc.	100,000	380,000
13	C-129565	Goodwill Industries of Southern California	400,000	959,700
15	C-129532	Housing Authority of the City of Los Angeles	200,000	2,369,529
16	C-129568	Jewish Vocational Service	50,000	275,000
18	C-129468	Managed Career Solutions, Inc.	300,000	738,000
19	C-129530	Pacific Asian Consortium in Employment	100,000	250,000
Total			2,500,000	10,010,794