

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to allocating \$2.75 million to the Gang Injunction Curfew Settlement Program for Fiscal Year (FY) 2021-22.

Recommendations for Council action, 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 in Table 3 of the December 9, 2021 Economic and Workforce Development Department (EWDD) report, attached to the Council File, and February 15, 2022 City Administrative Officer (CAO) report, attached to the Council File.

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.	Title	Amount
22V887	Gang Injunction Curfew Settlement – City General Fund	\$2,500,000
22V112	City Attorney	16,100
22V122	EWDD	229,535
22V166	Personnel	4,365
	Total:	\$2,750,000

- c. Increase appropriations within the EWDD Fund No. 100/22, as follows:

Account No.	Title	Amount
1010	Salaries General	\$172,627
1070	Salaries, As Needed	1,088

Account No.	Title	Amount
1090	Overtime General	12,159
2120	Printing and Binding	25
2130	Travel	53
3040	Contractual Services	4,084
3310	Transportation	5
6010	Office and Administrative	3,690
6020	Operating Supplies	5
6030	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.
- e. Increase appropriations within the Personnel Department Fund No. 100/66, Account No. 1010, Salaries General, in the amount of \$4,365.

4. AUTHORIZE the General Manager, EWDD, or designee, to:

- a. Amend agreements with service providers, as detailed by the EWDD and the Workforce Development Board as detailed in Table 3 of the December 9, 2021 EWDD report, attached to the Council File, and summarized in February 15, 2022 CAO report, attached to the Council File.
- 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.

Fiscal Impact Statement: The CAO reports that there is no additional impact to the General Fund. The recommendations contained in the February 15, 2022 CAO report, attached to the Council File, transfers \$2,750,000 from the 2021-22 Unappropriated Balance, Reserve for Mid-Year Adjustments account.

Financial Policies Statement: The CAO reports that the recommendations contained in the February 15, 2022 CAO report, attached to the Council File, 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.

Community Impact Statement: None submitted.

Summary:

On March 8, 2022, your Committee considered February 15, 2022 CAO and December 9, 2021 EWDD reports relative to allocating \$2.75 million to the Gang Injunction Curfew Settlement Program for FY 2021-22. According to the CAO, the Gang Injunction Curfew Settlement Agreement (GICSA; Council File No. 16-0081) was executed and approved by the federal court in April 2017. The GICSA obligated the City, through the 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. The 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 (Council File No. 17-0635). From 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 (Council File No. 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 (Council File No. 17-0026). The 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. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO, as detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee

COUNCILMEMBER	VOTE
PRICE:	YES
KREKORIAN:	YES
BLUMENFIELD:	YES
RAMAN:	YES
HARRIS-DAWSON:	YES

ARL

3/8/22

-NOT OFFICIAL UNTIL COUNCIL ACTS-