

**EXECUTIVE SUMMARY**

On July 22, 2014, President Barack Obama signed the Workforce Innovation and Opportunity Act (WIOA) into law. As the first legislative reform of the federal public workforce system in 15 years, WIOA brings significant changes to the One-Stop Delivery system in the areas of planning and governance, performance accountability, and program services.<sup>1</sup>

The Workforce Investment Board (WIB)<sup>2</sup>, along with the City Council and Mayor, will be responsible for developing policy in response to the new legislation. At present, these bodies provide oversight of the public Workforce Development System (WDS) in the City of Los Angeles. The Year 16 Annual Plan sets the service strategies, activities, and budget for the City's WDS for the Program Year 2015-16. The Annual Plan is developed under the framework outlined in the Workforce Investment Board - Local Elected Official (WIB-LEO) agreement.<sup>3</sup>

The activities set out in the Annual Plan align with Mayor Eric Garcetti's goals to: *make* Los Angeles the best run big city in America; *promote* good jobs for Angelenos all across Los Angeles; *create* a more livable and sustainable city; *ensure* our communities are the safest in the nation; and *partner* with residents and civic groups to build a greater city.

The Economic and Workforce Development Department (EWDD), through its Workforce Development Division (WDD), manages the City's workforce development programs. Funding for these programs comes from federal, state, and local government sources and from private entities. The EWDD manages a network of service providers – seventeen WorkSource Centers (WSC)<sup>4</sup> and sixteen YouthSource Centers (YSC). Strategically located throughout the city, these centers provide various workforce development services for businesses, job seekers, and youth. Adult and youth centers work in unison with a network of partners, including education/training institutions, chambers of commerce, economic development agencies, businesses, and other government organizations to provide an array of job preparation and training services.

Over the past five years the WSC and YSC have served over 836,000 customers. Many of these customers were assessed for eligibility for services under the WIA and were also assessed for job skill levels and needs, which helped in determining the types of services and training to be accorded them in order to improve their employment

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<sup>1</sup> WIOA supersedes WIA and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. As required by WIOA, the federal government recently released two Notices of Proposed Rulemaking governing the implementation and administration of the new legislation.

<sup>2</sup> Under WIOA the Workforce Investment Board (WIB) will become the Workforce Development Board (WDB).

<sup>3</sup> The WIB/LEO is a formal Memorandum of Agreement between the WIB and the elected officials of the City of Los Angeles.

<sup>4</sup> The City of Los Angeles designates its One-Stop Career Centers locally as "WorkSource Centers, a proud partner of America's Job Centers of California."

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outcomes. Many customers also used the resource rooms at the centers to access information online about job opportunities, job requirements, job clubs, and job fairs. In the same five year time period, the WSC and YSC served over 39,000 adult, dislocated worker, and youth customers, providing them intensive case-management services, training and job placement services.

Impacts of these services over five years include:

- Over 24,000 adults and dislocated workers placed into employment
- Over \$418 million in wages earned by those workers placed
- 11,420 youth placed into higher education and/or employment
- Over 6,000 youth obtained a degree/certificate
- Over 4,700 out-of-school youth achieved gains in reading and/or math skills

**WORKFORCE INNOVATION AND OPPORTUNITIES ACT**

The new WIOA legislation brings about a number of significant changes, fortunately, the City's WDS is well positioned to operate successfully under the new guidelines. In Program Year 2014-15, the City launched a redesigned Adult workforce delivery system which emphasizes the integration of strategic partners (such as the California Employment Development Department, the California Department of Rehabilitation, the Los Angeles Community College District, the Los Angeles Unified School District, and others) to provide coordinated services. The new system also emphasizes training in high demand employment sectors and focuses on serving job seekers with significant barriers to employment, including individuals with disabilities, returning veterans, English-language learners, and individuals with a history of homelessness.

Three years ago, the City redesigned its YouthSource system to improve services to vulnerable youth. This redesign aligns well with the new legislation. The WIAO requires a minimum expenditure of 75 percent on Out-of-School Youth (OSY). The City will not only spend 75 percent of funds on OSY but will enroll into the YouthSource program at least 80 percent of youth who are in OSY. The system established a partnership with the Los Angeles Unified School District to provide a Pupil Services and Attendance (PSA) counselor at each of the YouthSource Centers. The PSA counselors help with recruitment of OSY, provide academic counseling services, and facilitate cross-training opportunities (such as crisis management and mental health services). Through its summer youth employment programs, the system integrates complementary opportunities for work experience and financial literacy.

**MAYOR'S GOALS**

Mayor Eric Garcetti has identified five priority outcomes as part of his "back-to-basics" strategy for the City.

1. Make Los Angeles the best run big city in America.

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- a. Live within our means
  - b. Provide outstanding customer service to our residents and businesses
  - c. Deploy innovation and technology to modernize city government
  - d. Restore pride and excellence in public service
2. Promote good jobs for Angelenos all across Los Angeles.
  3. Create a more livable and sustainable city.
  4. Ensure our communities are the safest in the nation.
  5. Partner with citizens and civic groups to build a greater city.

To support all five of the Mayor's goals, the workforce development strategies contained in the plan include:

- Aligning the Workforce Development System with WIOA
- Improving access to the WDS by expanding into the City's public libraries, by exploring options for co-locating at community college campuses, and by increasing the use of available technology and mobile platforms
- Expanding the capacity of the system to better assist typically underserved populations (such as, individuals experiencing or with a history of homelessness; formerly incarcerated individuals, and individuals eligible for assistance through the Deferred Action process)
- Engaging the business, education, and labor communities in the development and expansion of sector initiatives, with a primary focus on information technology, advanced manufacturing, biotech/bioscience, and healthcare
- Enhancing programs that focus on disconnected youth (those out-of-school and out-of-work) to enable them to return to school and to gain skills to enter the workforce
- Providing summer youth employment to benefit approximately 10,000 youth in the City

**STATE OF CALIFORNIA GOALS**

The California Workforce Investment Board has established four main goals. These goals are designed to support the following:

- Business and Industry—meeting the workforce needs of high demand sectors of the state and regional economies

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- Adults—increasing the number of Californians, including from under-represented demographic groups, who complete at least one year of postsecondary education with a marketable credential or degree, with a special emphasis on veterans, disabled individuals, disconnected youth, and other at-risk populations
- Youth—increasing the number of high school students, including those from under-represented demographic groups, who are for postsecondary education and/or a career, after graduation from high school.
- System Alignment—supporting system alignment, service integration, and continuous improvement using data to support evidence-based policymaking

**WORKFORCE INVESTMENT BOARD GOALS**

The WIB is responsible for policy making and implementation of the workforce development system administered through the Economic and Workforce Development Department. WIB goals include:

- The creation of a sustainable balance between the employment needs of job seekers and the business needs of employers for skilled workers
- Supporting economic expansion
- Developing the talent of the workforce
- Ensuring a self-sufficient, diverse workforce in Los Angeles

The Annual Plan supports the goals of WIOA, the Mayor, State, and WIB in the design of programs, the establishment of policies, and the allocation of funds.

**CURRENT ECONOMIC IMPACTS ON EMPLOYMENT**

**The Region and Local Economy**

The City and County commissioned the County of Los Angeles Economic Development Corporation to undertake an analysis of the characteristics of the people, industries, and jobs in the region. An executive summary of this study is contained in Tab 2 of this plan. A full report will be incorporated in the final, adopted Annual Plan.

In 2014, California’s economy continued its recovery from the Great Recession. Since 2012, the state has added jobs at a faster rate than the nation as a whole, and in June 2014, recovered the 1.3 million jobs lost during the recession. Regional experts expect the State’s job growth rate to continue at a moderate pace in 2015, with employment growing at a rate of 2.2 percent. Los Angeles County’s economic progress closely followed that of the State with a 1.9 percent increase in job growth in 2015.

## **Employment and Educational Outlook for the City of Los Angeles**

Although declining, the unemployment rate in the City of Los Angeles (7.7 percent in March 2015) still remains higher than the rates in the State (6.5 percent) and the County (7.2 percent). The city also faces a skills gap challenge since the job market has an increasing need for workers with specific skills and education, yet a significant portion of the workforce lacks technical skills or even a high school diploma. To address the continuing high unemployment levels and the gap between the city's job seekers educational and skill levels and what is needed for local high-demand occupations, the City launched its newly redesigned Workforce Development System for Adults and Dislocated Workers in Program Year 2014-15. To increase the number of city residents who complete high school, in PY 2012-13, the City also realigned its YouthSource Centers to implement a high school dropout recovery system.

## **Available Resources**

The City plans to receive \$40 million in WIOA Adult, Dislocated Worker, and Youth formula funds from the State of California for Program Year 2015-16 as detailed under *Tab 4 Budget*. As the allocation for Rapid Response services has not been announced, the City is assuming level funding of \$1.8 million, based on the amount received in Program Year 2014-15. In addition to these formula allocations, the City will receive additional non-WIOA funds and competitive awards amounting to \$12.4 million. The City anticipates a carryover amount of \$9.7 million composed of both WIA formula and other workforce related grants. Total funding available for WDS activities is therefore projected at \$63.9 million.

## **Conclusion**

Although aspects of the economy continue to improve, the City of Los Angeles is still faced with challenges for the upcoming program year, including an unacceptably high unemployment rate and a continuing skills gap. The transition from WIA to WIOA and the impacts to planning, performance accountability and program services will also require careful attention and thoughtful management. However, through the Workforce Development Strategies outlined in this Annual Plan, the Workforce Development System will meet its goals, conform to the new requirements of WIOA, and serve the job seekers and youth in need of essential services in Los Angeles. The Annual Plan will also develop strategies that address the sustainability goals set for in the City's Sustainable City Plan, specifically around prosperity and green jobs initiatives. Lastly, the Annual Plan will also seek to develop strategies to implement President Obama's Executive Order on Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA). These strategies will work to strengthen the linkages between the City's Workforce Development System and its various programs, including Day Laborer Centers, to ensure that individuals who qualify under DAPA have access to a greater level of services.