EXECUTIVE SUMMARY

THE ANNUAL PLAN
The City of Los Angeles (City) Workforce Development Annual Plan is developed by the Economic and Workforce Development Department (EWDD) under the auspices of the Workforce Development Board (WDB), City Council and Mayor. The Annual Plan establishes the priorities, strategies, and policies for the City's Workforce Development System (WDS), which provides workforce career and training services for adults, and education and employment support for youth, assisting over 70,000 individuals annually. These services are designed to meet the individual needs of the customer, from providing the tools and advice to conduct a self-directed job search, to more intensive, one-on-one services and training (enrolled services). The City's WDS includes strategic partners such as the California Economic Development Department, the California Department of Rehabilitation, the Los Angeles Unified School District, and the Los Angeles Community College District. The Annual Plan details major funding sources, identifies initiatives that support the Mayor's and WDB's goals, and aligns with the federal Workforce Innovation and Opportunity Act (WIOA) and the State of California's Unified State Plan. In short, the Annual Plan serves as the City's framework for public policy and fiscal investments in labor exchange, career education and training services.

GOVERNANCE
As the first legislative reform of the federal public workforce system in 15 years, WIOA brings significant changes to the City’s One-Stop Delivery system in the areas of planning and governance, performance accountability, and program services. The legislation requires that each Governor submit to the United States Department of Labor (DOL) either a Unified State Plan (which encompasses the six core programs under WIOA) or a Combined State Plan (which encompasses the six core programs plus one or more other partner programs).

The Governor of California, through the California Workforce Development Board (CWDB), submitted a Unified State Plan that also incorporated elements of a Combined State Plan. The California Unified Plan includes programs and activities funded under Temporary Assistance to Needy Families (TANF), Carl D. Perkins K-14 Career and Technical Education (CTE), California’s Employment Training Panel (ETP), state-funded Adult Basic Education Block Grant programs, and state-funded CTE programs delivered through both K-12 entities and California’s community colleges. California state law requires collaboration between the CWDB, the Chancellor of California Community Colleges, the California Department of Education, and local workforce development boards to ensure consistent public policy, fiscal investment, and operation of all workforce development activities (labor exchange, education, and training). In addition, state law mandates a regional approach at the local level between workforce and education professionals and employers to meet the workforce needs of businesses.
The Workforce Development Board, along with the City Council and Mayor, is responsible for developing policy in response to federal legislation and current state law. As prescribed in the Workforce Development Board-Local Elected Official (WDB-LEO) agreement, these bodies jointly provide policy guidance, governance, and program oversight of the City of Los Angeles Workforce Development System. Through the development of the Annual Plan, these entities establish the service strategies, activities, and budget of the City’s WDS for the forthcoming year. Thus, the Year 17 Annual Plan (Annual Plan) has been developed under the framework outlined in the existing WDB-LEO agreement.

The activities set out in the Annual Plan align with Mayor Eric Garcetti’s overall 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; and *ensure* our communities are the safest in the nation. The Mayor has also articulated specific goals for the WDB to consider. These goals can be found below under the heading, “Mayor’s Goals.” The activities also embrace the visions articulated in the state plan and federal legislation to: foster better alignment with federal, state, and local investments in job training and education; integrate and improve service delivery across programs; and invest in strategies that are regionally focused, job-driven, and business-oriented. As such, the plan emphasizes career pathways and sector strategies, skills attainment through multiple training modalities, and inclusionary practices and programs targeting vulnerable and underrepresented populations.

The Economic and Workforce Development Department, 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 as well as from private entities and foundations. The EWDD manages a network of service providers: 17 WorkSource Centers (WSC) and 16 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 and training institutions, chambers of commerce, economic development agencies, businesses, local veteran organizations, labor organizations, and other government entities, to provide an array of job preparation, training services, and employment opportunities.

**WDS HIGHLIGHTS**

Over the past five years, the WSC and YSC have served over 700,000 customers, seeing a peak of 200,00 annual customers during the Great Recession. Adult customers were provided the needed tools and services for self-directed job searches. These services included providing computers with internet access; workshops in job search, resume preparation, and interviewing skills; job clubs; and job fairs. Youth customers were provided access to an array of services designed to encourage connection to education and employment. Many of these customers were assessed for eligibility for services under the federal legislation and were also assessed for job skill levels and educational needs, which helped in determining the types of services and
training to be provided to them in order to improve their employment and educational outcomes. In the same five-year time period, the WSC and YSC provided intensive case-management services, training and job placement services to almost 66,000 adult, dislocated worker, and youth customers.

The following chart illustrates the total number of enrolled, case-managed customers over the past four years and includes the first three quarters of the current program year (July 2015 – March 2016):

![Chart illustrating the total number of enrolled, case-managed customers over the past four years and includes the first three quarters of the current program year (July 2015 – March 2016).]

Impacts of the services provided by the WSC and YSC over the past five years include:

- Over 18,000 adults and dislocated workers placed into employment;
- Over $434 million in wages earned by those workers placed;
- Over 11,200 youth placed into higher education and/or employment;
- Over 6,100 youth obtained a degree/certificate; and
- Over 4,670 out-of-school youth achieved measurable gains in reading and/or math skills.

Impressive as these figures are, more significant are the recent and projected impacts the WDS services will have on job seekers and businesses alike as a result of the WIOA legislation and of the submitted Unified State Plan, including:
Executive Summary

- A five-fold increase in the number of new Adult and Dislocated Workers served, from about 4,000 individuals to over 22,000 individuals in the first year of the City’s Integrated Service Delivery Model (PY 2014-15);

- Approximately 94 percent of the over 22,000 individuals served were unemployed or had received a notice of layoff or termination prior to receiving services;

- The WDS is on pace to serve 35,000 new Adult and Dislocated Workers by the end of the program year in June 2016, based on the present enrollment of over 32,000 individuals.

This increase in service levels is not only a result of the coordination, integration, and leveraging of the respective resources and competencies of each WDS partner, but it is also a result of partners who share a common vision and belief in the possibilities of synergy and value-added cooperation and support.

Similarly, with the release of the JobsLA.org portal in the fall of 2014, potential participants were able to access the WDS remotely, 24-hours a day, seven days a week. This portal links immediately and directly with the state’s online platform, CalJOBS℠. To date over 93,000 job seekers have already accessed the portal and created online employment profiles. More recently, this electronic infrastructure has expanded with the development of a mobile platform, with the development of the JobsLA Generic Module (a comparable data collection and reporting system targeting non-WIOA-funded related workforce development grants), and with the development of a Customer Relationship Management (CRM) system. The CRM stores and tracks business services activities in real-time.

The City has continued to emphasize a job-driven sector-strategy approach to its training services, which has allowed the WDS to partner with key educational institutions to foster the development of curricula in targeted industries, such as Biotech and Bioscience, Global Trade, Logistics, and Transportation. These efforts have resulted in stackable, industry-valued credentials. With the recent release of Requests for Proposals for Sector Strategists and Training Services, the City anticipates developing similarly robust programs in Information Technology, Construction, Healthcare, and Advanced Manufacturing.

The City will soon procure providers to develop apprenticeship training models and to serve targeted vulnerable and underrepresented groups. These procurements respond to local and state concerns both to leverage the expertise of traditionally non-WIOA funded, community-based organizations and to increase the programmatic and physical access for greater numbers of individuals. The WDS is also seeking to foster stronger working relationships between WSC operators and other community-based organizations to better serve targeted populations. One example of fostering stronger relationships is the forthcoming Vulnerable and Underrepresented Initiative, which is designed to improve the capacity of the WDS to achieve positive employment outcomes.
Executive Summary

for specific groups of individuals. Procured WDS contractors will be required to partner with “non-traditional” service providers, such as those serving transition-age foster youth, transgender individuals, single parents, individuals experiencing homelessness, at-risk male adults, and English Language Learners (ELL). For the ELL population, Vocational ESL will be coupled with traditional ESL services. This initiative will set aside at least twenty-eight percent of the funds for training services.

The WDS has a long history of embracing innovative approaches to serving vulnerable populations. Building on past efforts to better serve the homeless population, the City has partnered with the Roberts Enterprise Development Fund to explore using a continuum of job supports to move individuals with multiple barriers from transitional social enterprise jobs, to bridge employment, and up through competitive employment. These efforts have served as a model that both Los Angeles County and City leaders have extolled as tangible options for improving the employment and retention outcomes for individuals experiencing homelessness, for the re-entry population, and for disconnected youth.

Similarly, the WDS will use the successful Los Angeles Reconnections Career Academy (LARCA) model to serve individuals identified as part of the recently approved Rodriguez settlement case. Under this new initiative, LARCA 2.0, the WDS will provide educational and career assessments, case management, job readiness training, subsidized employment, financial literacy training, and job placement services to identified members of the settlement class. The goals of LARCA 2.0 are to increase the educational and employment outcomes of the targeted participants through sequential stackable credentials along specific career pathways.

LEADING THE WAY TO CHANGE

The WIOA legislation brings about a number of significant changes. Fortunately, the City’s WDS is well positioned to operate successfully under the new guidelines. For example, in Program Year 2014-15, the City launched a redesigned Adult WDS 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 wage and 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 and disconnected youth (those out-of-school and out-of work). This redesign aligns well with the new legislation. The WIOA requires a minimum expenditure of 75 percent of youth program funds on Out-of-School Youth (OSY). The City will not only meet this minimum threshold on OSY expenditures, but will also enroll at least 80 percent of OSY into the YouthSource system. The redesigned system also established a partnership with the Los Angeles Unified School District to provide a Pupil Services and Attendance (PSA) counselor at each of the YSCs. The PSA counselors help with
Executive Summary

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 YouthSource system integrates complementary opportunities for work experience, financial literacy, and industry-driven career pathways training.

MAYOR’S GOALS
Mayor Garcetti has made the following recommendations for the WDB to consider:

- **Expand youth jobs**—The Mayor’s goal is to have at least 20,000 City of LA youth connected to summer employment by 2020, expanding the goal for 2016 summer youth jobs to 15,000, compared to 12,000 in 2015. The Mayor recommends developing a year-round strategy and placing Counselors/Job Developers at LAUSD high schools to work with the private sector to identify paid internships for youth. Four to five high schools in South LA can be used for a pilot project.

- **Focus on the reentry population**—The Mayor recently launched an Office of Reentry and would like to leverage the investments the county is making, as well as the pending Rodriguez settlement, to serve the reentry population and provide job training services to former gang-members and/or their relatives. Mayor Garcetti recommends identifying service providers within (or outside) the existing workforce development system with experience in connecting formerly incarcerated individuals with jobs. The strategy should include job training, job shadowing, apprenticeships and entry-level employment options to allow previously incarcerated individuals to gain critical career skills and strengthen pathways to employment and increased earnings.

- **Target vulnerable populations with a geographic focus**—The Mayor supports the expansion of program dollars that target communities with the highest concentrations of poverty, highest unemployment rates, etc., as well as target populations including, but not limited to, underrepresented ethnic groups, older workers, disconnected youth, and transgender individuals. The Mayor also highlighted the “Shared Economy” job fairs that his Office of Economic Development has hosted in South LA and Boyle Heights. These job fairs offer a new approach to the traditional job fair by introducing an emerging industry to underrepresented communities. Over 20 companies are supporting these jobs fairs, including Uber, Lyft, and Airbnb.

- **Develop a tech strategy**—The Mayor recommends further development of a sector strategy that builds on the booming tech ecosystem in Los Angeles. The goal would be to diversify the tech workforce and train Angelenos from underrepresented communities to be competitive for the growing tech industry jobs. This would be done through a private/public partnership that would develop an innovative approach to workforce development training.
• **Build capacity**— The Mayor recommends identifying additional partners, outside of current providers, that have expertise in serving key populations to build the capacity of the workforce development system with training that is culturally and linguistically appropriate to connect a larger number of people to the system.

To support the Mayor’s goals, the workforce development strategies contained in the Year 17 Annual Plan include:

• Improving access to the WDS by exploring options for continued integration with Los Angeles community college campuses, by expanding into the City’s public libraries, 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 other underserved groups);

• Engaging the business, education, and labor communities in the development and expansion of sector initiatives, with a primary focus on information technology, advanced manufacturing, biotechnology/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; and

• Providing summer youth employment to benefit approximately 15,000 Los Angeles youth in 2016.

To further support the Mayor’s goals, the WDB Innovation Fund supports effective program designs by providing capital needed to replicate their successes. Funding for these programs is based on analysis of outcomes, evidence of success, learning that addresses key gaps in knowledge within the field, sustainability, and scalability.

The goals of the Mayor and the WDB are in alignment with WIOA, which emphasizes incumbent worker training, career pathways, services to vulnerable populations and individuals with barriers to employment.

**STATE OF CALIFORNIA GOALS**
The California Workforce Development Board has established a goal that between 2017 and 2027, the state will produce a million “middle-skill” industry-valued and recognized postsecondary credentials. The state will emphasize “demand-driven skills attainment” in the policies it sets. Policy strategies will include the following:

• Sector Strategies: aligning workforce and education programs with leading and emergent industry skills needs;

• Career Pathways: enabling progressive skills development through education and training programs, using multiple entry and exit points, so that each level of
skills development corresponds with labor market payoff for those being trained or educated;

- Regional Partnerships: building partnerships between industry leaders, workforce professionals, education and training providers, and economic development leaders to develop workforce and education policies that support regional economic growth;

- "Earn and Learn": using training and education best practices that combine applied learning opportunities with material compensation while facilitating skills development in the context of actual labor market participation;

- Supportive Services: providing ancillary services like childcare, transportation, and counseling to facilitate program completion by those in training and education courses; and

- Integrated Service Delivery: braiding resources and coordinating services at the local level.

WORKFORCE DEVELOPMENT BOARD GOALS
The WDB is responsible for policy making and implementation of the workforce development system administered through the EWDD. WDB goals include:

- Ensuring a self-sufficient, diverse workforce in Los Angeles;

- The creation of a sustainable balance between the employment needs of job seekers and the needs of employers for skilled workers; and

- Supporting economic expansion.

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

CURRENT ECONOMIC IMPACTS ON EMPLOYMENT

The Region and Local Economy
In 2015, 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. California’s unemployment rate is still above pre-recession levels, but has declined by over one percent annually over the past four years. The annual unemployment rate for the state fell to 6.2 percent during 2015, a reduction of 1.3 percentage points compared to 2014 levels, and 6.1 percentage points from its peak in 2010. Regional experts expect the state’s job growth rate to continue at a moderate pace in 2016, with employment growing at a rate of 2.5 percent. The City and County have commissioned the County of Los Angeles Economic Development Corporation to update its analysis of the
characteristics of the people, industries, and jobs in the region. The full report can be found under Tab 2 – Economic Landscape.

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

Although declining, the unemployment rate in the City of Los Angeles (7.1 percent in 2015) still remains higher than the rates in the State (6.2 percent) and the County (6.9 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 the City also realigned its YouthSource System in PY 2012-13 to implement a high school dropout recovery system.

**Available Resources**

The City will receive approximately $40 million in WIOA Adult, Dislocated Worker, and Youth formula funds from the State of California for Program Year 2016-17, as detailed under Tab 5 - Budget. As the allocation for Rapid Response services has not yet been announced, the City is assuming level funding of $1.3 million, based on the pre-rescission allocation in Program Year 2015-16. In addition to these formula allocations, the City anticipates it will receive additional non-WIOA funds and competitive awards amounting to $20.2 million. The City anticipates a carryover amount of $7 million composed of both WIOA formula and other workforce related grants. Total funding available for WDS activities is therefore projected at $68.7 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 and education gap. The continued transition from the Workforce Investment Act of 1998 to WIOA and the impacts to planning, performance accountability, and program services requires 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 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 forth in the City’s Sustainable City Plan, specifically around prosperity and the green jobs initiatives.
1 On July 22, 2014, President Barack Obama signed the Workforce Innovation and Opportunity Act into law.

2 WIOA supersedes the Workforce Investment Act of 1998 (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.

3 The six core programs under WIOA include: Adult, Dislocated Worker, and Youth programs (Title I); Adult Education and Family Literacy Act program (Title II), Wagner-Peyser Act program (Title III), and Vocational Rehabilitation program (Title IV)

4 Combined State Plan partner programs include: Career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006; Temporary Assistance for Needy Families program; Employment and training programs under the Supplemental Nutrition Assistance Program; Trade Adjustment Assistance for Workers programs; Jobs for Veterans State Grants program; Unemployment Insurance programs; Senior Community Service Employment Program (Title V of the Older Americans Act of 1965), Employment and training activities carried out by the Department of Housing and Urban Development; Community Services Block Grant employment and training activities; and Reintegration of Ex-Offenders programs (authorized under section 212 of the Second Chance Act of 2007).

5 The WDB-LEO is a formal Memorandum of Agreement between the WDB and the elected officials of the Local Workforce Development Area. Currently, the City of Los Angeles and its Workforce Development Board are operating under a previously approved Workforce Investment Board-Local Elected Official agreement approved in PY 2013-2014. A revised draft of the new WDB-LEO was considered and approved by the City of Los Angeles Workforce Development Board on April 5, 2016. The WDB-LEO will subsequently be transmitted to the City Council and Mayor for review and approval.

6 The City of Los Angeles designates its One-Stop Career Centers locally as “WorkSource Centers, a proud partner of America’s Job Center of California.”

7 Pending court confirmation, the City Council has agreed to a settlement with individuals in a class action proceeding.