

**CITY OF LOS ANGELES**

**MAYOR'S  
WORKFORCE DEVELOPMENT PLAN**

**FY 2007-2011**

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## A. THEORY OF CHANGE

The Mayor has a vision of Los Angeles as a city that offers its residents opportunities to flourish economically and to contribute to the City's progress and sustainability. This workforce development plan supports the Mayor's goal of assisting 100,000 low wage and low skill Los Angeles workers attain and retain living wage employment that preferably provides benefits and opportunities for career advancement.

In order to achieve this vision, a regional workforce development system (WDS) will be promoted and aligned with the Mayor's strategic initiatives. This will be accomplished by both incremental changes in the delivery of services as well as larger scale changes in policy, partnerships, resources, and linkages. These changes will include establishing new partnerships and nurturing current ones, developing opportunities to leverage resources, and aligning City-wide workforce development activities with economic development ones.

Until recently, the Workforce Investment Board (WIB) has limited its oversight and governance essentially to services funded by Department of Labor monies (Workforce Investment Act). As a result, rather than a workforce development system that draws financial and non-financial resources from a variety of funding streams (e.g., public sector agencies, private sector enterprises, foundations, and others), the City has developed a workforce development system that is heavily dependent on a single source of revenue.

In fact, WIA monies are used to fund the infrastructure of the One Stop Career Centers (WorkSource and OneSource centers), to provide universal access, intensive case management services, training services and youth development services to jobseekers, and to provide information and services to businesses and employers. These activities occur without benefit of resource sharing agreements or significant private sector investments. As such, the system is taxed with providing services to a growing number of individuals in the context of diminishing federal resources and commitments to workforce development activities.

Many City residents are struggling economically. According to a recent study published by the Economic Roundtable, 24 percent of workers in Los Angeles are in jobs that pay poverty wages (versus the national average of 20 percent), 5.4 percent are unemployed (versus the national average of 4.8 percent), and the 34.7 percent of working age adults are not participating in the labor force at all (versus national average of 33.8 percent).

By investing in a skilled workforce, the City will help more residents become self-sufficient and will support business expansion and growth. Fortunately, the City has a number of assets already in place to build upon. These include an established workforce development infrastructure, a strong community college and adult education system, a network of employers and businesses, and other partnerships.

The system includes WorkSource and OneSource Centers, City Departments, community colleges, adult educational schools, business associations, and other public and private sector employers.

The goal of the Mayor's workforce development plan is to assist 20% (100,000) of these low wage, low skill Los Angeles workers attain higher wage employment, preferably in jobs that include benefits and provide opportunities for career advancement, and to bring LA labor market outcomes up to the national average. To achieve this, the City of Los Angeles will (1) use its resources to leverage public and private sector resources to build worker skills; (2) create opportunities to connect workers to higher wage jobs in the public and private sectors; (3) increase the pay and benefits of low-wage, low skill segments of the sector service, and (4) align economic development and workforce development activities to support targeted growth industries.

## **B. OBJECTIVES AND SCOPE**

Along with the cost of living, lack of skills and low educational levels are significant barriers to a self-sufficient workforce in Los Angeles. In the long term, reforming the K-12 educational system should yield a stronger, more resilient workforce. Until this reform occurs, however, we are challenged with improving the economic conditions of our most vulnerable populations. As such, the Mayor's office will take measures to build and increase the importance and value of the region's workforce development system. The Mayor's office will continue to provide leadership in convening the educational, workforce, and economic development communities. And through strategic appointments to the Workforce Investment Board, the Mayor's office will ensure the workforce needs of business and the educational levels of job seekers are addressed so as to help create new job opportunities. Periodic reviews of this plan will take place to incorporate changes in the demographic, economic, and strategic emphases. In particular, as the Mayor's South Los Angeles workforce strategy evolves, those recommendations should be folded into this plan.

To meet the objective of assisting 100,000 low-wage, low-skill workers move into jobs paying self-sufficient wages, the Mayor's office will focus on the following four (4) strategies that will be supported by strategic workforce initiatives.

**Strategy #1      Expand demand driven (sector-based and customized) workforce initiatives and support professionalization and application of living wage standards to low-wage segments of the service sector.**

Employer driven job training initiatives leverage a variety of resources to respond to employer demand and create direct pipelines connecting low-skilled workers to high wage jobs. Sector-based and customized workforce initiatives establish stronger relationships between the workforce development system, employers, employer organizations, workforce intermediaries, and educators. These relationships will lead to future investment and coordination of public and private resources.

The Mayor's office and other city leaders have identified private security, hospitality, and childcare as industries where wages are insufficient to meet the needs of employees. By supporting the professionalization of these industries, the City can impact wages, training opportunities, and the identification of career ladders. This strategy could increase access

to employer-provided training and to training offered through labor-management partnerships.

Currently, \$4.0 million of the City's Workforce Investment Act funds are allocated to sector initiatives and customized training. To increase this figure to \$15M in the next five years, the Mayor's office will encourage co-investment by POLA, DWP, LAWA and the private sector. Like sector initiatives, customized training is designed with educational partners and labor representatives around employer need. In customized training agreements, employers not only fund a portion of the training, they also make a commitment to hire individuals that have completed the targeted training.

#### Action Plan Highlights

- Develop a draft sector action plan.
- Convene a Sector Steering Committee to establish priority among targeted industries and level of engagement in these initiatives.
- Solicit proposals for sector initiatives.
- Identify other sector program operators in the LA region.
- Convene industry advisory boards.
- Organize WIB members to participate in industry panels, to identify industry needs, and to develop customized training opportunities among business colleagues.
- Systematize City's Healthcare Career Ladder Program by developing a strategic plan that leverages private sector investments and training programs offered by the public educational system
- Establish a Los Angeles City and County Healthcare Cabinet to coordinate and leverage Healthcare training programs in the greater Los Angeles region
- Commission an economic impact/sector analysis study of the childcare industry.
- Determine the status of the labor strategies in private security, hospitality and childcare.
- Convene employers to identify training needs and career ladders in private security, hospitality and childcare.
- Convene partners to develop specialized pre-training programs, including VESL, academic prep, and soft skills programs.
- Develop training programs with employers using the State of California Employment Training Panel monies

- Assist in the development of joint labor-management training programs

Proposed Outcomes

Through implementation of the action plan and strategic initiatives (see Attached Strategies, Initiatives, Goals and Metrics) it is anticipated that 26,000 to 34,000 low wage workers can be moved into self-sufficiency by FY 2010-11, starting with 4,000 individuals in PY 06-07.

**Strategy #2**

**Strengthen the region's workforce development system by expanding and enhancing relationships with the Los Angeles Community College District and the Los Angeles Unified School District and by ensuring that the resources of WIA and non-WIA partners are available to provide services to targeted populations.**

LAUSD has an annual budget of \$300 million for adult education, and community colleges have a training budget of \$85 million, together almost eight times the approximately \$50M that the City receives from the State annually for workforce development. Our community colleges can meet the needs of working adults by providing evening and weekend course, self-paced degree completion, and strong ties to local employers. More importantly, since the adult education infrastructure already exists, the City has an opportunity to expand the training opportunities for its residents by developing new relationships. For example, like the City of Boston, the City of Los Angeles may choose to develop a Compact with leaders of the major public and private institutions. This compact would articulate the shared workforce and educational goals of the parties to the agreement. These parties could include the Superintendent of the school district, the Chancellor of the Community College system, Presidents of Universities, the Executive Director of the Los Angeles Chamber of Commerce, and chief representatives of organized labor.

The City's WorkSource system serves 130,000 individuals annually, providing universal access, case management, intensive, and training services. Universal Access resources and services, include: initial assessment of skills, aptitudes, abilities, and need for additional assistance; employment information (job listings, job skill requirements, and information on demand occupations); information on and referral to supportive services; assistance in establishing eligibility for work activities; labor market information; job info and training search assistance; performance information on training providers; information on filing for Unemployment Insurance self-determination; initial development of an employment plan; and workshops and job clubs.

Until recently, the system has not been effective in capturing and communicating services provided and outcomes achieved by jobseekers using the Universal Access resources available at the WorkSource

Centers. Without a clear picture of the value of Universal Access resources, the system has been open to criticism about investing in its infrastructure. However, recent preliminary analysis of Universal Access outcome data reveals substantial gains in employment and earnings after individuals use the resources of the Centers.

In addition to communicating the benefits of Universal Access resources and services, the system needs to expand its ability to provide case management, intensive, and training services. Given the investment in developing and maintaining the WorkSource Center infrastructure, and given the limited resources available through WIA funds for training services, the WDS system must focus on securing additional non-WIA resources to provide more training services. These resources can include the Employment Training Panel (ETP) funds, private sector investments, and public education opportunities. In addition, the WIB will work on creating and implementing a resource development plan that expands the funds available to the system beyond WIA monies.

#### Action Plan Highlights

- Mayor to call top officials of the various public and private institutions impacting the workforce development system to develop a City wide compact
- Build upon best practices and relationships currently underway
- Appoint WIB members who are established leaders of the major City public and private educational institutions (keeping in mind that a majority of the WIB membership must be from private sector business).
- Pilot collaborative training projects using LAUSD & LACCD facilities and resources to meet the needs of employers & students.
- Utilize and enhance the current data collection infrastructure to report outcomes
- Develop mechanisms for marketing non-WIA funded training to Universal Access clients
- The Mayor's office should spearhead efforts to access Mental Health Services Act monies available for providing employment services to homeless and mentally ill individuals.
- Appoint WIB members that bring financial and non-financial resources to the system, and with the authority to impact hiring decisions in their organizations
- Task the WIB with ensuring that mandatory partners provide a fair share contribution to the City's Workforce Development system to fund WorkSource Center infrastructure and increase the number of training opportunities available.

- Task the WIB with leading the effort to expand resource development activities, focusing on enhancing and sustaining the existing infrastructure, and on developing increased opportunities to serve targeted populations, such as Ex-Offenders, Homeless, Individuals with a Disability, and Limited English Proficient. These activities need to be centralized at the WIB level to minimize the potential for internal competition among providers and between the Centers.
- Establish non-financial linkages for literacy and limited English proficient services to expand opportunities for improved educational attainment.

#### Proposed Outcomes

Through implementation of the action plan and strategic initiatives (see Attached Strategies, Initiatives, Goals and Metrics) it is anticipated that 43,000 to 57,000 low wage workers can be moved into self-sufficiency by FY 2010-11, starting with 10,000 individuals in PY 06-07.

#### **Strategy #3**

#### **Leverage public sector hiring and contracting through both city departments and publicly-funded redevelopment projects**

The City of Los Angeles is one of the largest employers in Southern California, with approximately 1,000 entry-level job openings each year. The Mayor's office will encourage departments to utilize the LA City Works program as the mechanism to move City residents into City service. In addition, through the use of First Source Hiring Agreements and Community Benefit Agreements, the Mayor's office ensures that system customers are targeted for employment and training opportunities. Along with these publicly funded, private sector agreements, the Mayor's office will task the WIB to develop policy to assist in the recruitment of high need classifications (i.e., police, teachers, nurses, etc.).

#### Action Plan Highlights

- Convene task force to create local hire requirements for all public contracts.
- Establish the Community Development Department as the workforce development base for selected City departments.
- Develop City policy that stipulates that all departments adopt local hire requirements.
- Execute First Source Hiring agreements with City Departments (LAWA, DWP, LAPD, Harbor, and Public Works)
- Propose that the City adopt a First Source Hiring Policy for City Departments.

- Propose CRA implement policy requiring First Source Hiring and Community Benefits Agreements, including setting aside resources for training, on all redevelopment projects.
- Establish a City Job Training Trust Fund, by legislating a 1% set aside requirement on all City of Los Angeles construction related projects.
- Develop a faith-based initiative targeting the construction trade to develop expanded labor for economic development projects.
- Solidify agreements with local trade unions concerning the hiring of participants completing faith-based construction initiative.
- Identify entry-level opportunities—defined as jobs requiring no more than one year of experience or training—in the City and assess classification requirements on level of skill or experience required.
- Analyze and, if necessary, enhance, the city's training and career ladder opportunities for new workers to help low-skilled new hires build skills to become promotable.
- Identify or create training opportunities to help low-skilled local residents access entry-level city jobs.
- Disseminate information regarding job openings via WorkSource Centers and other community venues and identify other outreach opportunities to targeted populations.

#### Proposed Outcomes

Through implementation of the action plan and strategic initiatives (see Attached Strategies, Initiatives, Goals and Metrics) it is anticipated that 8,000 to 12,000 low-wage workers can be moved into self-sufficiency by FY 2010-11, starting with 2,000 individuals in PY 06-07.

#### **Strategy #4**

#### **Connect young people to jobs.**

Twenty percent of youth between the ages of 16-24 are disconnected from both the workforce and the educational system. The One Out of Five report, commissioned by the Los Angeles and Long Beach WIBs, indicates that youth and young adults with work experience are more likely to stay in school and graduate than those not engaged in employment. As such, connecting youth to jobs, even short-term summer jobs, is an important strategy in nurturing the next generation of skilled, self-sufficient workers. With this in mind, the City has launched the Hire LA initiative with a target of placing 10,000 youth in new summer or off-track jobs by 2010. Spearheaded by the Mayor's office, this initiative relies on partnerships to connect youth to work. Partners include the State Employment Development Department, the Los Angeles Unified School District, the Los Angeles Chamber of Commerce, the Workforce Development System, and local employers. In addition, by building upon the current efforts of the Workforce Development System, such as the

Learn and Earn, the Work Readiness Certification, and the Cash for College activities, the City will be able to develop college ready and work ready individuals. Through the Youth OneSource Centers, the City can also help to connect young adults with jobs year-round.

#### Action Plan Highlights

- Convene private sector employers quarterly to solicit job pledges.
- Outreach to youth via the Youth One Source System and other community organizations.
- Assist LA Youth at Work and the Los Angeles Area Chamber of Commerce to increase capacity of the Work Readiness Training and Work Readiness Certificate (WRT/WRC) program.
- Expand the venues for WRT/WRC beyond the Workforce Development System, so that universal access and walk-in young jobseekers are adequately prepared their first work experience.
- Expand the concept of Cash for College, securing a broader funding base and increasing the number of venues where education is discussed alongside employment.
- Task the WIB to enhance partnerships with the educational system to address basic skills remediation needs of youth and young adults.

#### Proposed Outcomes

Through implementation of the action plan and strategic initiatives (see Attached Strategies, Initiatives, Goals and Metrics) it is anticipated that 8,000 to 12,000 youth can be moved into self-sufficiency by FY 2010-11, starting with 1,000 individuals in PY 08-07.

### **C. ROLES AND RESPONSIBILITIES OF KEY PARTICIPANTS**

With strong leadership from the Mayor's Office, the City and the WIB will need to build new relationships and enhance current ones in and outside of City Government in order to assist 100,000 low wage workers secure higher wage employment. To achieve this, the Mayor's Office is establishing expectations based on the following roles and responsibilities of lead Departments within the City.

#### **1. Workforce Investment Board**

The Workforce Investment Board serves as the policy and governance arm of the City's workforce development system. Currently the WIB has exclusively focused on WIA funds, but needs to expand its role in developing a citywide workforce development system. The WIB should focus on securing resource sharing agreements with mandatory partners, on developing non-financial agreements with other public entities (particularly, the educational system), and on increasing the participation of private sector employers, employer organizations and workforce intermediaries.

The WIB shall have responsibility for convening public and private educational providers, including officials from the community college system and the LAUSD (Adult Education) to identify opportunities for improved coordination with the Mayor's Office for developing training programs jointly. The WIB shall work with the Mayor's office on developing the framework for a Compact Agreement that will establish shared training and educational goals for youth and young adults.

With support from the Community Development Department, the WIB shall have responsibility for convening employers and representatives from the WDS, employer organizations, industry associations, organized labor, and education providers to establish the level of engagement in and the priority of the targeted sector initiatives. The WIB shall assist the Mayor in developing private sector labor agreements to support job training partnerships and professionalization of low-wage segments of the service sector.

## 2. Community Development Department

As stipulated in the annual plan and the WIB/LEO agreement, the Community Development Department serves as the fiscal and administrative entity for the Workforce Investment Act funds and has primary responsibility for implementing and managing workforce development activities. In addition, the Department will: be responsible for implementing this workforce development plan and managing these initiatives; will track progress on program outcomes and develop the appropriate course correction as necessary; will set workload priorities to ensure success both on this work plan and on the state and federal performance standards; will enter into and administer contracts with training providers for use of City workforce development funds as indicated in the Annual Plan; will assist the WIB in convening the necessary partnerships; will provide technical assistance to its contractors to support initiative activities in order to reach the targets; will continue to operate and expand the Hire LA program; and, will be responsible for tracking and reporting to the WIB and the PMU the metrics described above.

## 3. City Personnel Department

The Personnel Department will be responsible for increasing the representation of Los Angeles residents (particularly low wage, low skill workers) in the City's Workforce. The Personnel Department will be tasked with developing advancement and training opportunities for entry-level workers. They will develop programs with each of the City Departments that are major employers to do this, be responsible for spearheading a review of overall City hiring policies to identify requirements that are an impediment to hiring workers for entry level positions, and track data to measure effectiveness.

## 4. Board of Public Works / DWP / Port of Los Angeles / Los Angeles World Airports

These entities will establish a task force that will create local hire requirements for all public contracts, which each entity shall adopt. These requirements will specify a minimum percentage of local and low-skill workers that must be hired by City

contractors. Proprietary departments will establish revenue streams to support sector and other training initiatives.

5. Community Redevelopment Agency

The Community Redevelopment Agency will implement a policy requiring First Source Hiring and Community Benefits Agreements on all redevelopment projects specifying terms that must be included in such agreements. These terms should include a specific set-aside to provide training and opportunities for career advancement.

6. Other City Departments

Each City Department will cooperate with the Personnel Department in developing a plan to increase the representation of Los Angeles residents and low-skill residents through a combination of outreach, training programs, and changes to hiring policies.

**D. PERFORMANCE REVIEWS**

Progress against the trajectories established in this plan will take place through regular performance reviews by the Office of the Mayor, the General Manager of CDD, and Workforce Investment Board. These reviews are designed to promote effective communication and alignment on progress, successful troubleshooting and resolution of issues, and reinforcement of individual performance goals at all levels of management.

1. Mayoral Reviews

The Deputy Mayor for Housing and Economic Development (HED) and the Mayor's Performance Management Unit (PMU) will review with the General Manager of CDD current performance for all programmatic metrics and will review with the Director of the Workforce Investment Board current status on policy goals, partnerships developed, resources established, and linkages made.

These reviews will occur on the first workday of June and December, and will serve as the bases for the PMU's semi-annual assessment of progress against this plan. A subsequent meeting between the Deputy Mayor for HED, the Director of the Mayor's PMU, the General Manager of CDD, and the Director of the Workforce Investment Board will take place in July and January.

Underperformance on any of these metrics may require that the General Manager of CDD or the Director of the Workforce Investment Board present an analysis of the issues impacting performance and develop remediation plans to improve performance. In addition, the Director of the Workforce Investment Board will detail which partnerships, resources, and linkages have been developed and which are targeted for the upcoming six-months.

The General Manager of CDD and the Director of the Workforce Investment Board may be requested to present a subset of these measures at the Quarterly General Managers meeting with the Mayor.

## 2. Workforce Investment Board Reviews

The Director of the Workforce Development Division (CDD) and the Director of the Workforce Investment Board will present the current performance on these metrics to Workforce Investment Board and its Youth Council.

### E. PERFORMANCE METRICS

Performance measures establish the bases for accountability, for evaluating program effectiveness, and for incorporating customer feedback, all of which lead to continuous improvement. While measuring performance is difficult, ensuring fairness in measurement adds a level of complexity.

In terms of the program outcomes, the WIA requires that specific measures be used to track outcomes for three discrete populations: adults, dislocated workers, and youth. Starting in Program Year 06-07, the performance standards measure outcomes in six core measures (for Adult and Dislocated Workers, Entered Employment, Retention, and Average Earnings; for Youth, Placement in Employment or Education, Attainment of Degree or Certificate, and Literacy or Numeracy Gains). Job seeker and employer satisfaction is also required. Failure to meet these expected performance levels can result in a financial penalty and sanction. Conversely, exceeding these expected performance levels may result in incentive awards. Acknowledging the ramifications of under-performing in our contractual obligations to the State and the federal government, the Office of the Mayor will track performance of the workforce development plan by evaluating the Community Development Department staff on program outcomes and by evaluating the Workforce Investment Board staff on policy and governance goals.

In terms of program outcomes the department will be evaluated on helping to achieve the goal of the Mayor's office of assisting 100,000 low-wage workers move into higher wage employment. Although local economic and demographic can vary substantially over the course of time, the performance standards targeted provide an assessment of the effectiveness of the programmatic and policy initiatives undertaken.

The overall metric we will track is the number of individuals moving from being unemployed or underemployed to being employed in jobs paying at or above the self-sufficiency/City's living wage level. This will be compared with the goal of helping to move 100,000 workers over five years into employment paying self-sufficient wages.

To gauge the effectiveness of the individual initiatives, we will track performance outputs for each. These will include the number of partnerships established, the number of training programs developed through these partnerships, and the required federal and local measures (such as placements, credentials, wage at placement, and retention).