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To enrich lives through effective and caring service



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Cynthia D. Banks
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June 16, 2017

TO: Workforce Development Board



FROM: Alfred Beyruti, Budget Officer
Workforce Development, Aging and Community Services

**SUBJECT: LOS ANGELES COUNTY WORKFORCE DEVELOPMENT PROGRAMS
– FISCAL YEAR 2017-18 PROPOSED BUDGET**

Attached is the Fiscal Year 2017-18 proposed WIOA budget for your approval. The budget also includes additional non-WIOA funding WDACS received to expand workforce development services.

The total workforce budget in the Department is \$67.1 million with \$37.5 million specifically from WIOA federal funding. Given the limited information on FY 2017-18 funding levels, the proposed budget makes several assumptions. A revised budget will be established once funding levels are finalized and the actual carryover amount from FY 2016-17 is determined.

Although there is about \$2.0 million reduction in WIOA funding and about \$2.7 million reduction in WIOA carryover funding, the overall budget reflects an increase of about \$2.2 million in total available funds. This is attributed to the Department's success in establishing partnerships and securing non-WIOA funding and grants that allow us to diversify the aggregate workforce funding and continue delivering services without reductions.

The budget reflects adjustments primarily in One Stop Operations and Administration within our WIOA Budget and Non-WIOA Budget.

WIOA BUDGET

Funding:

Total funding of \$37.5 million is about \$4.7 million lower than funding levels recognized in FY 2016-17 due to estimated reduction in WIOA funding based on the latest estimates from the Employment Development Department and lower estimated carryover funding. Additional reductions at the federal level are anticipated in FY 2018-19.

Adjustments:

The proposed budget is built upon the assumption of extending current AJCC contracts for three months and subsequently, operating the newly procured system for the remainder of the year. It reflects the following adjustments to prior fiscal year's budget to align with changes in available funding and procurement of a new workforce system.

One Stop Operations

- Overall reduction of \$4.6 million in One Stop Operations.
 - Reduction of \$3.9 million in AJCCs to align with the reduction of federal funding and the shift of IT equipment costs from AJCCs to WDACS.
 - Reduction of \$1.5 million in Training, Career Pathways and Wages to align with the federal funding reductions and the requirements of the new workforce system. The Recognition of \$10.9 million to train participants into job driven programs that respond to the needs of businesses meets the training requirements set by the State and assumes about \$2.5 million of unspent training funds from prior year. For our AJCC's, these WIOA training funds are to be used only when no other funds are available for training.
 - Increase of \$800k to cover the costs of IT equipment and services for the new workforce delivery system. This was previously budgeted in AJCCs.

Business Services

- Reduction of \$78k in Business Services to adjust for reductions in Rapid Response funding over the last few years.

NON-WIOA BUDGET

The budget reflects an overall increase of about \$6.8 million, bringing the Non-WIOA budget to \$29.5 million. The increase is due to additional \$5.1 million from Proposition 678 to provide workforce services to individuals involved in the criminal justice system

and \$1.8 million to provide employment services to seniors through Title V Senior Employment Program.

WDACS is expected to receive additional funding in 17-18 to provide services to homeless, reentry, and other special populations. Once received, this additional funding will be distributed countywide.

This budget excludes \$7 million the Department will receive from Measure H to target the homeless population in Los Angeles County.

OS:ab

Attachment

