County of Los Angeles
CHIEF EXECUTIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

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June 24, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

DEPARTMENT OF COMMUNITY AND SENIOR SERVICES: AUTHORIZATION TO TERMINATE FOR CONVENIENCE THE REGIONAL WORKFORCE GROUP AGREEMENT, EFFECTIVE JUNE 30, 2009, BETWEEN THE COUNTY, THE LOS ANGELES COUNTY WORKFORCE INVESTMENT BOARD AND THE FIVE REGIONAL WORKFORCE GROUPS (ALL SUPERVISORIAL DISTRICTS AFFECTED) (3 VOTES)

SUBJECT

Approval of the requested action will authorize the Chief Executive Office (CEO) to terminate for convenience the Regional Workforce Group (RWG) agreement, effective June 30, 2009, with the five RWGs whose purpose is to manage and provide services under the Workforce Investment Act (WIA) to their respective service areas.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the CEO to terminate for convenience the RWG agreement between the County, the Workforce Investment Board (WIB) and the five RWGs in accordance with the terms of the agreement effective June 30, 2009. The RWGs are agents of public entities within Los Angeles County and currently serve as the County and WIB's primary contractor for workforce development service delivery within the RWGs' service areas.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to terminate for convenience the RWG agreement in accordance with the terms of the agreement, effective June 30, 2009. The RWGs include L.A. Works, Career Partners Rosemead, Southeast Area Social Services Authority (SASSFA), Compton Career Link, and Hub Cities.

While the County is grateful for the services that the RWGs have provided through the joint efforts of their 29 constituent cities within the County, the State Employment Development Department (EDD) recently informed the County that its WIA funding is at risk, in part due to the nature of the RWG agreement. Therefore, the agreement is being terminated for convenience.

FISCAL IMPACT/FINANCING

The RWG agreement is a non-financial Agreement and, therefore, has no impact on the net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

RWGs are Joint Powers Authorities, which are agents of 29 local governments. The RWGs were formed by action of their member cities' governing bodies to manage all federal work source investment funding and programs within their respective areas in the 1970's. Since August 7, 1998, the federal Workforce Investment Act ("WIA") has controlled the administration of workforce services.

WIA currently provides funds for the workforce investment system. The money passes through the United States Department of Labor (DOL) to the California EDD or "State". Localities then apply to the Governor to receive these funds by forming a Local Workforce Investment Area (LWIA), which must have a corresponding chief elected official and advisory Workforce Investment Board (WIB). The County was successful in its bid to become an LWIA. Your Board is the chief elected official for the County LWIA. As chief elected official, your Board is ultimately responsible for the expenditure of the WIA funds and the WIB is the entity responsible to advise your Board regarding the implementation of the program.

The RWG agreement has given the RWGs a basis for arguing they have a special status. Federal law creates no authority for that status. On April 28, 2008, the EDD sent a letter expressing their concern over CSS' inability to resolve 68 financial and programmatic findings identified in both State and federal reviews spanning several years. If unresolved, these findings will jeopardize the County's $32 million in WIA grant funds.

The findings were, in part, connected to the RWGs and the nature of the RWG agreement. Therefore, as part of a corrective action plan required by EDD and DOL findings, the RWG agreement is being terminated for convenience effective June 30, 2009.

CONTRACTING PROCESS

Under the terms of the RWG agreement, the agreement may be terminated for convenience by any party without cause by giving twelve months advance written notice of the termination. Therefore, upon approval by your Board, the County will terminate for convenience the RWG agreement effective June 30, 2009, notwithstanding any other provisions under the RWG agreement.

IMPACT ON CURRENT SERVICES OR PROJECTS

The proposed action will not have an impact on current services or services for FY 2008-09. The County plans to continue working collaboratively with the RWGs as they continue to provide services under their contracts for WIA Rapid Response, Adult and Dislocated Worker, and Youth programs. The RWG contracts; however, will be subject to all federal, State, and County procurement requirements for future year contracts beginning in FY 2009-10.

While the County plans to continue working collaboratively with the RWGs, the County's relationship with RWGs will be the same as with any other contractor.

CONCLUSION

Upon Board approval, please mail one copy of the adopted Board letter to Ms. Tina Hoang, CSS, 3175 West Sixth Street, Room 403, Los Angeles, CA 90020. Ms. Hoang may be reached at (213) 738-2641.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer:

WTF:SRH:MS
GP:RG:cvb

c: Raymond G. Fortner, Jr., County Counsel