



County of Los Angeles CHIEF EXECUTIVE OFFICE

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December 3, 2013

To: Supervisor Don Knabe, Chairman
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Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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REPORT BACK ON LOCAL WORKER HIRING PROGRAM (ITEM NO. 36, AGENDA OF NOVEMBER 26, 2013)

The following is in response to questions raised during the Board's November 19, 2013, meeting regarding Item No. 30, the San Fernando Teen Health Center project, specifically related to the possible inclusion of veterans within the Local Worker Hiring Program for the project.

Background

As approved by the Board, the San Fernando Teen Health Center project includes an aspirational goal that 30 percent of the California construction hours be performed by workers residing in zip codes that are either within a 5-mile radius of the site or zip codes Countywide, with high levels of unemployment or which contain a Bank Enterprise Award Area (BEA). The San Fernando Teen Health Center project does not include an employment goal for disadvantaged workers.

To date, the local worker higher mandates and goals established by the Board for various County of Los Angeles projects have not encompassed a preference for the employment of veterans. Based on our research, presently the only agency in the local area that has an employment preference for veterans is the Metropolitan Transportation Authority (MTA). The MTA program does not establish a specific threshold for hiring veterans, but instead includes veteran's status amongst the various specified criteria that the Disadvantaged Local Worker Program comprises.

Establishing a hiring preference for veterans would be consistent with other existing County initiatives, which seek to provide hiring and contracting opportunities for veterans, such as the recently enacted Board policy on contracting with Disabled Veteran-owned Business

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Enterprises. In order to establish a hiring preference for veterans, the Board would need to take an action finding this preference to be in furtherance of legitimate County objectives. County Counsel is assisting with the analysis of the potential hiring performance to assure that all legal standards are met.

We are presently reviewing data from other County projects that included the Local Worker Hiring Program to determine the percentage of veterans that participated, although such data is limited because this was not a criterion of the programs and was not tracked in many instances. Also, we are coordinating with the Building Trades Council to verify the proportion of veterans in the local workforce. The Building Trades have an active recruitment effort that encourages recent veterans to consider careers in construction, called "Helmets to Hardhats," and there is an effort to assure that a large percentage of new apprentices are veterans. This research will help to determine what a reasonable percentile goal could be for a veteran hiring initiative.

Issues

If a veterans hiring preference were to be established as a stand-alone program, there would be a cost for administering the program both for direct County oversight and monitoring, as well as a cost for the contractors implementing the program. Alternatively, veterans could be included as a component of an overall Disadvantaged Local Worker Program, similar to the MTA model. While there is a cost to administer the Disadvantaged Local Worker Program, there would be no net increase in cost to add veterans as an additional component. The costs for County oversight are nominal. The costs to contractors are difficult to quantify.

As part of a policy, an additional consideration is whether to limit the hiring focus to those veterans living within the defined "local" areas, or to apply it more broadly to all veterans residing within the County. Which option is selected may depend on whether the hiring preference is stand-alone or part of a Disadvantaged Local Worker Program.

If you have any questions or need additional information, please contact either Jan Takata at (213) 974-1360, or jtakata@ceo.lacounty.gov; or David Howard at (626) 300-2300, or dhoward@dpw.lacounty.gov.

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c: Executive Office, Board of Supervisors
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