

MOTION BY SUPERVISOR SHEILA KUEHL AND CHAIR HILDA L. SOLIS

June 14, 2016

Fully 49% of LA County residents lack sufficient savings to live above the poverty level for three months if they lose a job or suffer a financial emergency, according to the Corporation for Enterprise Development (CFED), a leading national expert on low-income economics. Those residents are unable to establish sufficient savings for emergencies, for education expenses, or the money necessary to take even the first step towards business start-up or home ownership.

The Los Angeles County Board of Supervisors (Board) has made one of its priorities the promotion of economic development to help lift County residents out of poverty. To accomplish this, the Board has adopted a number of policies such as raising and enforcing the minimum wage, promoting small business development, and combatting homelessness.

On March 15, 2016 the Board adopted a motion by Supervisor Kuehl and Chair Solis to explore the establishment of a Center for Financial Empowerment (CFE) within the Department of Consumer and Business Affairs (DCBA). On May 3 and 31, 2016 DCBA submitted reports to the Board detailing, respectively, strategies for coordinating

MOTION

RIDLEY-THOMAS _____

KUEHL _____

KNABE _____

ANTONOVICH _____

SOLIS _____

and expanding on the many financial empowerment programs currently existing across many County departments and in community based organizations and other public agencies across the County. These DCBA reports collectively outline a blueprint for a two-year Center for Financial Empowerment pilot project funded at zero Net County Cost that hopes to significantly increase the impact of existing programs that help low-income County families build economic stability and household wealth.

The County can play an important leadership role for the entire region by establishing strong collaborations with advocates, practitioners, public agencies, financial institutions and the philanthropic community, all of whom work in various ways to increase the financial security of low-income residents. Despite the excellent work being performed both within and outside the County, no single agency currently takes the lead, with a synchronized, inter-agency approach to addressing poverty from a financial empowerment perspective. As the cities of Seattle, New York and San Francisco have learned over the past decade – since establishing similar centers inside local government – a collaborative, cross-sector approach leveraging the resources of public agencies, non-profit organizations and financial institutions can greatly improve financial literacy and stability among low-income residents, as well as reduce duplication of efforts. In order to extend the Board's current sizeable investment in helping County residents achieve greater economic security and well-being, the County must take the next step: the coordination and expansion of financial empowerment programs, internally within the County and across the region.

WE, THEREFORE, MOVE that the Board of Supervisors:

1. Direct the Chief Executive Officer to work with the Director for the Department of Consumer and Business Affairs (DCBA) to begin immediate

implementation of the establishment of a Center for Financial Empowerment (CFE) that will launch by September 1, 2016 within DCBA as a two year pilot program;

2. Direct the Chief Executive Officer, in consultation with DCBA, to submit a Board letter to establish a budget for the new CFE with an appropriate number of positions, as described in DCBA's May 3 and May 31, 2016 Board reports;
3. Adopt the recommended strategies for establishing the CFE as outlined in DCBA's May 3 and May 31, 2016 Board reports;
4. Direct DCBA, in consultation on a quarterly basis with the Chief Executive Officer, the Department of Community and Senior Services, the Department of Public Social Services, the County Librarian, the Los Angeles County Office of Education, the Department of Children and Family Services, and the Community Development Commission, the Treasurer Tax Collector, the Department of Military and Veterans Affairs, the Department of Human Resources and other relevant Departments, to assist DCBA in the establishment of the CFE;
5. Authorize the DCBA to enter into an agreement with the Department of Public Social Services to provide financial literacy education to students who have recently graduated from high school through the "Cash for Grads" program;
6. Authorize the DCBA to accept a private grant of approximately \$280,000 to partially fund the CFE in fiscal year 2016-17;
7. Authorize the Director of DCBA to secure a consultant or consultants should

the need arise to:

- i. Assess the current financial empowerment offerings in the County
 - ii. Develop a strategic approach to coordinate and align financial empowerment services throughout the County
 - iii. Develop a comprehensive set of metrics to measure financial empowerment outcomes;
8. Direct DCBA to report back in writing on a quarterly basis beginning in December of 2016, regarding CFE operations, program updates, workload, partnerships with County departments and external stakeholders, and relevant metrics; and
 9. Direct DCBA to provide a final report three months prior to the completion of the two year pilot program that includes a summary of the pilot outcomes as well as recommendations as to the future of the CFE.