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August 23, 2022

To: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
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Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

REPORT BACK ON FARMER JOHN CLOSURE (ITEM NO. 138-A, AGENDA OF JUNE 14, 2022)

On June 14, 2022, the Board of Supervisors (Board) adopted a motion directing the Chief Executive Office (CEO), working with the Departments of Economic Opportunity (DEO), Consumer and Business Affairs (DCBA), and the Los Angeles Economic Development Corporation (LAEDC), to report back in 60 days in writing with an action plan (Plan) to assist the employees with enhanced job training and job placement in response to the impending closure of the Farmer John facility in the City of Vernon. The attached report, drafted by the DEO, provides an update on the progress of this Plan, as well as next steps for implementation.

BACKGROUND

On June 10, 2022, the Farmer John meatpacking facility located in the City of Vernon (City) announced its impending closure due to the escalating cost of doing business in the State of California. This action would present a large-scale economic setback for the City, with the potential dislocation of approximately 2,000 employees in early 2023.

STATUS

Beginning June 27, 2022, the DEO began convening weekly meetings with the designated County of Los Angeles (County) departments, as well as additional stakeholders, to develop a Plan to address the needs of employees potentially impacted by the facility closure, including job training and placement, and support services. This Plan also considers employer support services and layoff intervention/aversion strategies. Below is a brief description of proposed services under the Plan.

Job Training/Placement

- The County Southeast L.A. America's Job Centers of California (AJCC) will be on-hand to provide job training and placement services to workers dislocated by the impending layoff. This includes strategies that would track individuals into the Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker program, particularly for those that need intensive career counseling and occupational skills training services, as well as developing a pathway into the American Rescue Plan Act (ARPA) Pandemic Relief Rapid Reemployment and ARPA High-Road Training Partnership program opportunities.

Pre-Layoff Intervention/Aversion Activities

- The LAEDC, together with the City, is diligently working to identify businesses that would be interested in taking over the Farmer John site in order to bring in more manufacturing jobs, help retain current employees, and ensure that employees can continue to work with as little disruption as possible;
- The Southeast L.A. AJCC will coordinate with unions to provide information on services and benefits they will provide to employees, as well as collaborate with Rapid Response efforts to possibly offer training to non-represented employees; and
- The DEO, in coordination with relevant partners, will explore layoff aversion strategies (including short-time compensation, incumbent worker training, and labor exchange with growing businesses).

Provision of Support Services

- The DEO will coordinate with additional agencies to provide information sessions for Farmer John employees, including the Department of Public Social Services for Medi-Cal, CalFresh and CalWORKs, Women, Infant, Children, and local rental assistance programs. The DCBA will also be on hand to administer a robust menu of programs that can assist employees impacted by the impending Farmer John layoffs, including Foreclosure Prevention, Eviction Defense, Dispute Resolution, and Consumer and Worker Protections.

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NEXT STEPS

The DEO will continue to host weekly meetings with all partners in order to share information, create strategies, and keep all relevant stakeholders apprised of the progress on efforts related to assisting employees as a result of the facility closure. In addition, the DEO will begin preparing the necessary data to apply for an Additional Assistance grant from the State of California, with the goal of having a full application submitted no later than November 2022 for the purpose of obtaining funds to support the provision of layoff assistance activities in 2023.

Should you have questions concerning this matter, please contact me or Julia F. Orozco, Acting Branch Manager, Policy Implementation and Alignment Branch at (213) 974-1151 or jorozco@ceo.lacounty.gov.

FAD:JMN:JFO
AG:TW:kdm

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Consumer and Business Affairs
Economic Opportunity
Los Angeles Economic Development Corporation

FARMER JOHN CLOSURE ACTION PLAN

August 2022

BACKGROUND

On June 10, 2022, the Farmer John meatpacking facility located in the City of Vernon (City) announced its impending closure due to the escalating cost of doing business in the State of California. This action would present a large-scale economic setback for the City, with the phased dislocation of approximately 2,000 employees, beginning February 1, 2023, and ending in March 2023.

In response to this proposed action, the Board of Supervisors (Board) adopted a motion on June 14, 2022, directing the Chief Executive Office (CEO), to work with the Departments of Economic Opportunity (DEO), Consumer and Business Affairs (DCBA), and the Los Angeles Economic Development Corporation (LAEDC) to report back in 60 days in writing with an action plan (Plan) to assist the employees with enhanced job training and job placement in response to the impending closure of the Farmer John facility in the City of Vernon and job placement in response to the impending Farmer John facility closure.

STATUS

Phase I: Initial Response to Farmer John Facility Closure – Mobilization of County of Los Angeles Partners

Based upon notification of the intended facility closure, LAEDC held an initial meeting with the Vernon Chamber of Commerce, the City, and State of California Governor's Office of Business and Economic Development (GO-Biz) team on June 10, 2022, to determine next steps.

In addition, as directed by the Board, the DEO in collaboration with CEO, DCBA, and the LAEDC, immediately mobilized to schedule weekly strategy meetings for the purpose of collectively creating a Plan to assist the employees from Farmer John on enhanced job training and job placement. These meetings also included partners such as the City, Southeast Los Angeles County Workforce Development Board (SELACO), the County of Los Angeles' (County) Workforce Development Board (WDB), and the Southeast L.A. America's Job Centers of California (AJCC). Additional partners and relevant stakeholders, such as local Chambers of Commerce and organized labor/unions will be included in future strategy meetings, as required.

Phase II: Activation of Intervention Strategies/Deployment of Resources

The following provides a preliminary Plan based on the facts that are known to date and will be adjusted and developed in further detail as planning continues and additional facts are provided by the affected business.

Determination of Required Interventions

Specific interventions will be formed aligning the strategy team (Team), its strategies, and the Plan. This includes development of an employee transition plan and potential layoff aversion. The Plan includes determining other workforce programs or resource entities that may need to be involved or notified, including Trade Adjustment Assistance (TAA), Unemployment Insurance (UI), and more, and determining the funding likely needed and potential sources. We will also assess whether an onsite transition center, peer counselors, or other programs may be useful. An important goal of the Plan is to leverage the time available to provide support services, including onsite assistance prior to the layoff, and providing a menu of services to the business and the workers. Farmer John has expressed a preference for facility employees to stay until the end of production. While it is important to respect the employer's need for continued production, the DEO will work with service providers to and local business to offer job opportunities for individuals interested in transitioning before layoffs commence. For layoff aversion, outside partners are critical. These include economic development, TAA for firms, organized labor, and Manufacturing Extension Partnership organizations. The DEO and LAEDC will conduct a prefeasibility study to determine whether a company could be bought out by employees or could shift production to new products or locate new customers. In these efforts, we will develop an "instant labor exchange" to facilitate the movement of laid-off workers to other industries/businesses that are growing in the area. Overall, it is critical that the Plan remains fluid and flexible, given the possibility that circumstances may change rapidly.

Tailoring a Plan and intervention efforts can blend in many ways. This step of the process is all about customizing the Plan to meet the needs of both the company and workers. To this end, the Team is evaluating opportunities for labor and management to be involved jointly in the planning and delivery of services; coordination with other service providers to ensure that we maximize the resources available to the company or workers; formulating plan for connecting onsite services to those provided through the AJCC, inclusive of skills training tailored to affected workers based on their interests, skills, aptitudes, and abilities; and a mechanism to make this transition as seamless as possible for workers including coordinating any partners who may be providing services or resources, or supporting our activities in other ways, including as part of layoff aversion strategies.

Proposed Timeline for Required Interventions Identified to Date:

August 2022

LAEDC

- LAEDC and the City will meet with other local food processing companies that are expanding and potentially interested in taking over the Farmer John site to keep as many jobs in the local area as possible.

October 2022 through November 2022

DEO

- The DEO will coordinate with the AJCC to potentially host a two-day job fair for workers potentially impacted by the facility closure. This will include resume and interviewing workshops, and a possible survey to gauge employee interest in training, re-employment, retirement, etc.; and
- The DEO will apply for an Additional Assistance grant from the State with a goal of having funds readily available by the layoff date in early 2023. Section 133(a)(2) of the Workforce Innovation and Opportunity Act (WIOA) authorizes the Governor to set aside up to twenty-five (25) percent of the state's Dislocated Worker funds for California's Rapid Response system and related Additional Assistance projects. Allocation determinations for Additional Assistance projects are guided by priorities such as, specialized services to target populations, coordination of labor/management associations, employer-engagement efforts, and workforce training for industries. The ultimate intent of Additional Assistance is to cover Local Workforce Development Areas that experience sudden and large increases of unemployment due to natural disasters, mass layoffs, or other events, as such, Additional Assistance funds are to provide direct services to dislocated workers when local resources are scarce. Such funding will allow the DEO to provide dedicated, intentional project-specific targeted services to all the employees affected by the Farmer John layoff.

LAEDC

- As an alternative to avoid two large vacant properties after Smithfield/Farmer John shuts down and vacates the property, the LAEDC is working with commercial real estate brokers who represent a number of local food processing companies that are expanding and have expressed an interest in the Farmer John site for their expansion projects;
- The LAEDC will identify food processing companies as a potential match/user(s) for the Farmer John property and introduce these real estate brokers to the new owner - Bridge Industrial (estimated effective October 2022) for a discussion of the site for new users (on-going

discussions), as well as a potential discussion regarding a food-processing campus; and

- Include the Farmer John site in the LAEDC's responses to State of California GO-Biz Request for Information for potential large scale food processing attraction projects where Request for Information requirements are compatible with the Farmer John site and workforce requisites.

LAEDC/DEO

- The LAEDC and DEO will also work with the Food Industry Roundtable, (a local Los Angeles County trade group representing Los Angeles area food processing companies) to identify any food processing companies looking for expansion space.

December 2022

LAEDC/DEO

- With the approval of Farmer John human resources to engage in County Rapid Response services, the LAEDC and DEO will proceed to identify companies (food processing/manufacturing or otherwise), partnering with California Manufacturing Technology Consulting, Community, Colleges, the Employee Training Panel, the LAEDC Board of Governors/spheres of influence, and GO-Biz, in designated geographical areas or throughout Los Angeles County, as possible employment opportunities for separated employees.

Coordination of Pre-Layoff Activities

Proposed Timeline for Pre-Layoff Activities Identified to Date:

Ongoing

LAEDC/DEO

- Conduct ongoing meetings with Company/Employer – this includes requesting workforce demographic data, exploring layoff aversion strategies (including short-time compensation; incumbent worker training; and labor exchange with growing businesses). This action is essential to demonstrate the County's collective value to Farmer John and the employees, identify the conditions that determine which resources are needed, and continue to develop our relationship with the employer;
- Determine and coordinate with Farmer John resources and outplacement firms; and
- Determine severance packages and their impact on UI benefits and begin working with the Employment Development Department (EDD) UI to mitigate impacts.

DEO

- The AJCC will work with three unions represented at Farmer John to have them participate in the weekly calls. The three unions are: Teamsters Local 63, IUOE Operating Engineers Local 504, and the United Food and Commercial Workers Local 770. The unions will provide information on the services and benefits they will be providing to the employees and collaborate with the Rapid Response efforts to possibly offer training to non-represented employees.

Provision of Support Services to Employees Impacted by Layoffs

Proposed Timeline for the Provision of Support Services Identified to Date:

January – February 2023

DEO

- Once layoffs occur, the AJCC, along with the WDB, will provide in-person, on-site Rapid Response services to all employees. These services will include EDD representatives on-hand to answer the laid off worker's questions regarding their benefits and assist them in applying for unemployment insurance through the EDD website; Department of Labor will also be present to provide information regarding the dislocated workers rights to Consolidated Omnibus Budget Reconciliation Act, Health Insurance Portability and Accountability Act, and Employee Retirement Income Security Act benefits; also, independent financial advisors will answer any questions regarding their retirement accounts and how to safely rollover or transfer savings, and how to apply for Covered California, as well as AJCC will be on hand to offer job training to enhance skills for job placement, as well as open positions at other local businesses for those individuals ready to get back to work immediately. Thorough assessment of employees' skillsets will ensure individuals are provided tailored, appropriate services and activities that will allow them to get into training, as needed, and career jobs. This assessment will be done by the AJCC team, most likely following Rapid Response orientation as they intake affected workers for program participation; and
- The DEO will coordinate with other agencies to provide information sessions for Farmer John employees; including the County Department of Public Social Services for Medi-Cal, CalFresh and CalWORKs, the Special Supplemental Program for Women, Infants, and Children, and local rental assistance programs. The DCBA will also be on hand to administer a robust menu of programs that can assist employees impacted by the impending Farmer John layoffs, including Foreclosure Prevention, Eviction Defense, Dispute Resolution, and Consumer and Worker Protections. These services

can mitigate the possibility that impacted employees will be displaced from their home, fall victim to consumer and employment opportunity scams, and/or ensure that they are aware of worker protections as they apply to new jobs. Other strategies would include tracking individuals into not only our Workforce Innovation and Opportunity Act Dislocated Worker program, particularly for those that need intensive career counseling and occupational skills training services, but also developing a pathway into our American Rescue Plan Act (ARPA) Pandemic Relief Rapid Reemployment and ARPA High-Road Training Partnerships opportunities. Lastly, the above-mentioned Additional Assistance grant will be specifically developed for this population.

Additional Service Strategies

Proposed Timeline for the Implementation of the Additional Strategies Identified to Date:

Ongoing

DEO

- **Program Tracking and Evaluation:** Throughout the process, the DEO will create track our activities and evaluate our successes. Evaluating our partnerships, systems, policies, processes, and staffing is critical to ensuring continuous improvement and identifying opportunities for innovation. Weekly meetings will continue to keep all stakeholders apprised of the progress of our efforts to assist the employees. Along with this, the meeting minutes are being shared with all for feedback and input, as needed. This Plan reflects collaborative input and is a living document where our collective actions will be updated as work progresses and shared with relevant parties. The Plan will be also shared with CEO weekly, as it evolves. In the future we will also develop reports that will be shared with all stakeholders.

January – February 2023

DEO

- **Program Follow-Up:** As companies are not required to engage in Rapid Response activities, the DEO will follow-up with customers to ensure their needs are being met, as well as with partners to ensure they are delivering on the agreed upon services, as required.