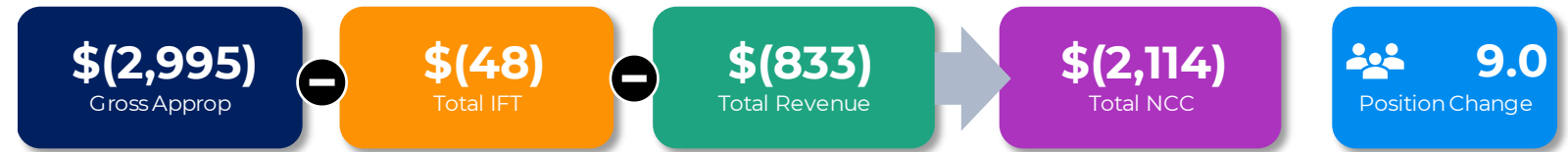




**Department Budget Request:  
Budget Priorities**

Listed in order of priority, Amounts in \$Thousands

**TOTAL BUDGET REQUEST FOR 2025-26 RECOMMENDED BUDGET PHASE (\$Thousands)**



**Mission**

The Department of Economic Opportunity creates quality jobs, helps small businesses and high-road employers start and grow, and builds vibrant local communities and spaces. Our vision is an equitable economy with thriving local communities, inclusive and sustainable growth, and opportunity and mobility for all.

**Mandatory & Major Duties**

- Regional Economic Approach
- Job and Training
- Entrepreneurship Development
- Small Business Services
- Certifications and Contracting
- Industry Cluster Development
- Business Attraction to Drive New Investments
- Real Estate and Capital Development

**Department Strategic Plan Exists?**



Plan to be finalized Spring 2025

**2024-25 Budget (\$Thousands)**

As of Supplemental Budget Phase

EXPENDITURES/APPROPRIATIONS	
Total Salaries & Employee Benefits	\$ 38
Total Services & Supplies	\$ 200
Other Charges	3
Cap Assets – Equip	
Other Financing Uses	-
<b>TOTAL GROSS APPROP</b>	<b>\$ 242</b>
<b>Intrafund Transfers</b>	<b>26</b>
<b>TOTAL NET APPROP</b>	<b>\$ 216</b>
<b>Revenue</b>	<b>116</b>
<b>NET COUNTY COST<sup>1</sup></b>	<b>\$ 10</b>
<b>TOTAL BUDGETED POSITIONS</b>	<b>206</b>

<sup>1</sup> Includes restricted and unrestricted locally generated revenues

#	Request Title/Short Descriptor	Fund Source	Gross Approp	less IFT	less Revenue	= NCC	Position Change	Board Priority	Directed By	Metrics Plan?
1	Economic Development Trust Fund (EDTF)	CO	18,329	-	-	18,329	-	-	n/a	-
*	Other Ministerial Changes		(59,313)	(263)	(833)	(58,217)	-	-	n/a	N
<b>TOTAL</b>			<b>\$ (40,984)</b>	<b>\$ (263)</b>	<b>\$ (833)</b>	<b>\$(39,888)</b>	<b>-</b>			

LEGEND	Primary Use of Funding
	Service Delivery to the Public                         Service Delivery to Other Departments                         Administration
	Funding Source                        RO: Revenue Offset                        NCC: Net County Cost Change                        AFB: Available Fund Balance                        DAFB: Department Available Fund Balance                        CO: Carryover                        Other - SBI: State Budget Impact



# Department Budget Request: Unmet Needs

Amounts in \$Thousands

#	Unmet Need	Approp	IFT	Revenue	NCC	Positions
<b>Tier 1: Critical Unmet Needs</b>						
1	Youth @ Work Program serving 10k opportunity youth with paid work experience	\$ 12,247	\$ -	\$ -	\$ 12,247	-
2	Workforce System Development - (1) Program Manager position request	\$ 83	\$ -	\$ -	\$ 83	-
3	Economic Mobility Hub for entrepreneur and small business services including education, training, technical assistance, and capital	\$ 3,750	\$ -	\$ -	\$ 3,750	-
4	Office of Small Business - (2) Consumer and Business Affairs Representative II, Sidewalk Vending Program compliance, position requests	\$ 250	\$ -	\$ -	\$ 250	2.0
5	Business Interruption Fund	\$ 7,500	\$ -	\$ -	\$ 7,500	-
6	Business and Economic Development - Games and Business Attraction- (1) Administrative Services Manager II and (1) Management Analyst position requests	\$ 412	\$ -	\$ -	\$ 412	2.0
7	Contractor Development and Bonding Program	\$ 1,320	\$ -	\$ -	\$ 1,320	-
<b>Tier 2: Priority Unmet Needs</b>						
8	Office of Economic Resiliency - (1) Program Manager and (5) Human Service Administrators I position requests	\$ 1,058	\$ -	\$ -	\$ 1,058	3.0
9	LA:RISE Program serving individuals experiencing homelessness in partnership with social enterprises	\$ 9,442	\$ -	\$ -	\$ 9,442	-
10	Economic Development Consultant Services for analysis, reports, and implementation support	\$ 900	\$ -	\$ -	\$ 900	-
11	E-Cloud and Open Systems and Disaster Recovery Infrastructure	\$ 358	\$ -	\$ -	\$ 358	-
<b>Tier 3: Other Unmet Needs</b>						
12	Enterprise Reporting Solutions unit - Information Technology - (1) Data Science Supervisor position request	\$ 79	\$ -	\$ -	\$ 79	-
13	Worker Ownership Program - (1) Human Services Administrator I, position request	\$ 215	\$ 215	\$ -	\$ -	1.0
14	Countywide Initiatives and Special Projects - (1) Chief Community Service Analyst position request	\$ 135	\$ -	\$ -	\$ 135	-
15	Intergovernmental Relations and Development - (1) Administrative Services Manager I position request	\$ 215	\$ -	\$ -	\$ 215	1.0
16	Sponsorships	\$ 25	\$ -	\$ -	\$ 25	-
<b>TOTAL UNMET NEEDS</b>		<b>\$ 37,989</b>	<b>\$ 215</b>	<b>\$ -</b>	<b>\$ 37,774</b>	<b>9.0</b>

### Tiering Definitions

#### TIER 1: Critical Unmet Needs

Requests where, if unfunded in the upcoming budget year, a department would be prevented from meeting mandatory obligations imposed by settlement, contract, audit finding, new legislation, Board mandate, or imminently cause a health or safety risk.

*Detailed justification for critical unmet needs must be included in a department's budget requests submission.*

#### TIER 2: Priority Unmet Needs

Requests where, if unfunded in the upcoming budget year, a department would be prevented from establishing, maintaining or enhancing programs and services having a close nexus to the department's statutory obligation(s) and/or core mission.

*Detailed justification for priority unmet needs must be included in a department's budget requests submission.*

#### TIER 3: Other Unmet Needs

Requests that do not meet the criteria in either category above. Other Unmet Needs include requests that are not characterized by urgency but are included to establish a record of the request (whether submitted with or without justification) or to signal a current intent to submit the request in one of the two prior categories in a future budget phase. Requests in this category are not limited to requests funded by NCC.

*Documentation for these requests does not need to be included in a department's budget requests submission.*



Budget Challenge/Pressure	Source	Impact Summary
<ul style="list-style-type: none"> <li><b>REVENUE DECREASE</b> due to the end of ARPA and Measure H Funding Investments</li> </ul>	External	<p>At the end of FY 24-25, DEO is at the tail end of ARPA funded services and decreased investment in workforce services from Measure H. Over the past two years, DEO has managed \$161.7M in ARPA and County recovery funds across 15 programs in partnership with over 45 organizations, serving LA County's most vulnerable and under-resourced communities of workers and small businesses of which all programming has been incumbered. Due to budget constraints in FY26, the budget for LA:RISE program was recommended at \$2M for Measure H funds. The immediate impacts result in the following:</p> <ul style="list-style-type: none"> <li>DEO is unable to sustain the programming for critical services for small businesses and workers including the Economic Mobility Initiative for entrepreneur and small business training, technical assistance, and access to capital; Youth@Work Elevate for enhanced paid work experience for opportunity youth; and Careers for a Cause: Social and Homeless Service Job Training Program to name a few.</li> <li>DEO received \$2M in Measure H funding for LA:RISE resulting in the ability to serve 244 participants through LA County's America's Job Centers of California in partnership with social enterprises. At this funding level, the program will experience a decrease of approximately 580 individuals experiencing homelessness from FY 24-25 to FY 25-26.</li> </ul>
<ul style="list-style-type: none"> <li><b>DECREASED STAFFING</b> due to the end of ARPA programming</li> </ul>	Internal	<p>Over the past two years, DEO has managed \$161.7M in ARPA and County recovery funds across 15 programs in partnership with over 45 organizations, serving LA County's most vulnerable and under-resourced communities of workers and small businesses of which all programming has been incumbered. This funding also provided 25 FTEs at DEO to deliver these resources and lever their expertise. DEO has identified a sustainability plan for only 4 of these positions. As a result, DEO will experience a reduction in 21 staff beginning FY 25-26 resulting in a loss of subject matter expertise and capacity to deliver the high volume of services needed to meet the needs of LA County's most vulnerable workers and small businesses.</p>
<ul style="list-style-type: none"> <li><b>RISK OF DECREASED FEDERAL FUNDING</b> due to changes in federal government priorities</li> </ul>	External	<p>Approximately 35% of DEO's total budget is driven by federal funding. As a result of potential disinvestments in education, workforce and the social safety nets being weighed by the U.S. Federal government, DEO may experience the following vulnerabilities:</p> <ul style="list-style-type: none"> <li>Underfunded infrastructure and services to meet the needs of workers and businesses in LA County.</li> <li>Underfunded social safety net which would result in increased economic need of DEO's public workforce system.</li> </ul>
<ul style="list-style-type: none"> <li><b>MAXIMIZE COMMUNITY INVESTMENT AND BENEFITS</b> due to mega-sports entertainment events like the LA28 Games</li> </ul>	External	<p>LA County is the sports entertainment capital of the world hosting nearly every major sports competition from the 2026 World Cup to the LA28 Olympic and Paralympic Games. In order to set commitments and deploy strategies that maximize community benefits from the upcoming mega-events, DEO has to invest in the requisite programs and services that will allow the County to meet the local hire and supplier diversity commitments with maximum impact with our disinvested communities. The immediate requirements are:</p> <ul style="list-style-type: none"> <li>Lead supplier and diversity commitments with LA28 Business and Supplier Committee</li> <li>Lead economic empowerment for the County as it relates the LA28 Games</li> <li>Lead the supplier diversity efforts to ensure local small businesses and diverse-owned small businesses have the capacity building opportunities, access and technical assistance to win contracts.</li> <li>Lead the local hire and workforce development opportunities to ensure local workers have access to the economic opportunities.</li> </ul>

### Other Impact from January 2025 Windstorm and Critical Fire Event

<ul style="list-style-type: none"> <li><b>INCREASED OPERATIONAL COST</b> to provide recovery assistance and aid to constituents impacted by recent wildfire and other economic disruptions</li> </ul>	External	<p>Under the recent severe wildfires, other natural disasters, and economic disruptions, unexpected costs have escalated, including a significant increase in staff hours due to expanded workload related to service delivery, program development and management, and community outreach. Additionally, there is a need to create the Office of Economic Resiliency, designed to assist residents in increasing their resiliency prior, during and after economic disruptions. The immediate requirements are:</p> <ul style="list-style-type: none"> <li>Increased overtime for staff managing the heightened workload from acute economic disruptions.</li> <li>Development of new programs, including Business Interruption Funds, and targeted, tailored services for impacted residents.</li> </ul>
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