

# department of economic opportunity

COUNTY OF LOS ANGELES

### 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	\$ 38,416
Total Services & Supplies	\$ 200,038
Other Charges	3,253
Cap Assets – Equip	8
Other Financing Uses	-
<b>TOTAL GROSS APPROP</b>	<b>\$ 241,715</b>
<b>Intrafund Transfers</b>	<b>25,798</b>
<b>TOTAL NET APPROP</b>	<b>\$ 215,917</b>
<b>Revenue</b>	<b>116,347</b>
<b>NET COUNTY COST<sup>1</sup></b>	<b>\$ 99,570</b>
<b>TOTAL BUDGETED POSITIONS</b>	<b>206</b>

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

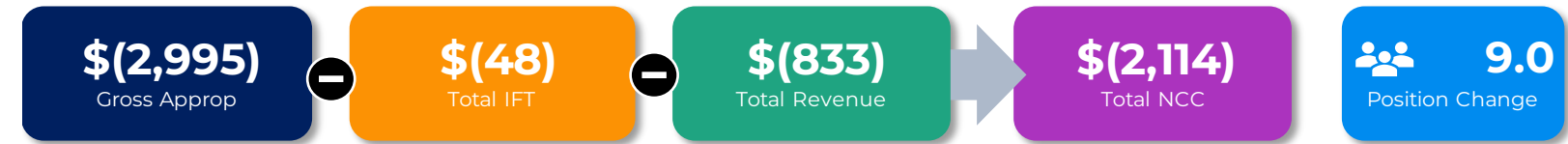


2025-26 Department Budget Presentation Summary

## Department Budget Request: Budget Priorities

Listed in order of priority, Amounts in \$Thousands

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



#	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 - Sidewalk Vending Program – (2) Consumer and Business Affairs Representative II position requests	\$ 250	\$ -	\$ -	\$ 250	2.0
5	Business Interruption Fund	\$ 7,500	\$ -	\$ -	\$ 7,500	-
6	Business and Economic Development - LA28 Games and Infrastructure LA – (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 - Information Technology – (1) Data Science Supervisor position request	\$ 79	\$ -	\$ -	\$ 79	-
13	Business and Economic Development - 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 FY25, DEO's American Rescue Plan Act (ARPA) revenue and programs will start to sunset and DEO's Measure H funded workforce programming will face cuts. Over the past two years, DEO has designed, encumbered, and is in progress delivering \$161.7M in ARPA and County recovery funds across 15 programs in partnership with over 45 organizations, serving LA County's workers, businesses, and communities who were hardest hit by COVID-19 and faced historic disinvestment. Due to budget constraints in FY26, DEO's Measure H-funded LA:RISE program was recommended \$2M versus \$9M annual funding. The immediate impacts result in the following</p> <ul style="list-style-type: none"> <li>DEO is unable to sustain programs and services stood up with recovery dollars that are needed on an ongoing basis by the community and would benefit the fire and windstorm recovery. Examples include: Economic Mobility Initiative for education, training, and capital for small businesses; Youth@Work Elevate for enhanced paid work experience for opportunity youth; and Careers for a Cause for skills training for homelessness and social service providers, addressing the State of Homeless Emergency.</li> <li>DEO is recommended at \$2M in Measure A funding from the CEO Homeless Initiative in FY26. This allows DEO to support 244 participants with lived homelessness through the LA County 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 compared to last year. This program is run in partnership with LA City, REDF, and 40+ job centers, social enterprises, and partners, serving 5,700 participants over the past 10 years.</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 designed, encumbered, and is in progress delivering \$161.7M in ARPA and County recovery funds across 15 programs in partnership with over 45 organizations, serving LA County's workers, businesses, and communities who were hardest hit by COVID-19 and faced historic disinvestment. This funding also provided 25 full-time employees (FTEs) at DEO to design, deliver, and evaluate these programs. DEO has identified a sustainability plan for only 4 of these positions. As a result, DEO will experience a reduction in 21 budgeted items starting in FY26, resulting in a loss of capacity for critical and high-volume programming where there are new revenue sources and subject matter expertise.</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>As of FY25, approximately 35% of DEO's budget is a federal allocation. There is a risk of reprioritization of these dollars and/or reprioritization of dollars that impact DEO's target customers. DEO may experience the following vulnerabilities:</p> <ul style="list-style-type: none"> <li>Underfunded public workforce infrastructure and programs and services to meet the needs of workers and businesses in LA County, and</li> <li>Underfunded social safety need increasing the volume and depth of need for DEO job centers and programs and services.</li> </ul>
<ul style="list-style-type: none"> <li><b>MAXIMIZE COMMUNITY INVESTMENT AND BENEFITS</b> due to mega-sports events and infrastructure investments</li> </ul>	External	<p>LA County is the sports entertainment capital of the world, hosting nearly every major upcoming sports event competition, including the 2026 FIFA World Cup, the 2027 Super Bowl, and the LA28 Olympic and Paralympic Games. LA County is accessing major infrastructure investments from the Bipartisan Infrastructure Law and Inflation Reduction Act for clean tech, broadband, and capital development. As LA County sets its commitments and defines strategies that maximize community benefit from these upcoming mega-events and infrastructure investments, DEO will need to build programs and services and partnerships that help achieve local hire, supplier diversity, and community development goals. DEO is currently leading economic empowerment for LA County for the Games, participating on the LA28 Community Business and Supplier Diversity committee as well as for InfrastructureLA, and implementing local hire and certification activities against Equity in Infrastructure Project Pledge goals.</p>

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

<ul style="list-style-type: none"> <li><b>INCREASED OPERATIONAL COST</b> to cover personnel overtime and new program costs to provide recovery assistance and aid to constituents impacted by recent wildfire and other recent economic disruptions</li> </ul>	External	<p>Due to the recent windstorms and wildfires and related economic disruptions, DEO has had increased, unanticipated costs, including a significant increase in staff hours related to service delivery, program development and management, and community outreach. Additionally, there is critical need to establish the Office of 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, and</li> <li>Development of new programs, including capital programs, and other targeted and tailored services for impacted workers and businesses.</li> </ul>
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