AGN. NO.

MOTION BY SUPERVISOR HOLLY J. MITCHELL November 17, 2026

Honoring Social Enterprise Week in Los Angeles County: Setting a Social Enterprise Utilization Target and Strengthening the Employment Social Enterprise Definition

Employment Social Enterprises (ESEs) are businesses that generate revenue through the sale of goods and services while employing, training, and supporting people who face barriers to employment, including those who have experienced homelessness, incarceration, or involvement with the foster care system. Partnering with these businesses provides a double bottom line for Los Angeles County (County).

The County has been an early national leader in catalyzing the growth of Social Enterprises. In 2016, the County Board of Supervisors (Board) adopted a four-year Small Business and Social Enterprise Utilization Plan and created the Social Enterprise Preference Program,[1] now housed at the Department of Economic Opportunity (DEO). The program established the nation's first government social enterprise certification and gives certified social enterprises up to a 15 percent bid preference, capped at $150,000. Additionally, the Board directed the creation of the Social Enterprise Employment and Training Master Agreement (SEMA) and in April 2026, the Board extended the SEMA,

[1] https://storage.googleapis.com/wzukusers/user-22554268/documents/519d2c77d6a843c09ae14278ef57a030/KH-LA%20County%20LSBE-DVBE-SE-UTILIZATION%20PLAN%202016-05-20.pdf

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which now includes 62 vendors, through June 30, 2028, with options to extend through June 30, 2030.[2]

The County has also built some of the country's strongest ESE workforce programs in the country. Los Angeles Regional Initiative for Social Enterprise (LA: RISE) provides paid transitional employment and career pathways for residents who are experiencing, or who are at risk of homelessness, placing more than 4,700 workers into competitive, unsubsidized employment during the initiative's first 10 years. RENEW, a $7.5 million partnership with the County Probation Department and the Justice, Care and Opportunities Department (JCOD), serves 740 justice-impacted residents through ESEs. The evidence behind this model is strong. Statewide, the first cohort of the California RISE supported 61 ESEs that generated $155.9 million in new revenue, hired 3,887 people, and secured 83 public contracts and grants.

ESEs also play an important role in delivering California's CalFresh Employment and Training (CFET) program. Through the federal Supplemental Nutrition Assistance Program, Employment and Training 50 percent reimbursement model, the County leverages eligible non-federal investments to draw down federal funding that supports employment and training services for CalFresh participants. This funding model allows participating organizations, including ESEs, to strengthen and expand workforce development programs, provide critical participant supports, and create pathways to sustainable employment for individuals facing barriers to economic mobility. By building upon existing community-based programs and investments, CFET provides the County with a sustainable strategy to expand workforce services while maximizing available federal resources.

However, the County's procurement tools have not kept pace with its workforce programs. The County has not set a social enterprise utilization goal since the original plan, and the Board does not receive regular, public-facing reporting on how often the preference is claimed or how much departments spend with certified social enterprises.

[2] https://camisvr.co.la.ca.us/LACoBids/BidLookUp/BidDetail?BidNumber=RFSQ-CMD-01-16

The SEMA is available to every department, yet its active work orders are concentrated in DEO's own workforce programs.

Social Enterprise Day is November 19, 2026. Federal changes under H.R. 1 (the One Big Beautiful Bill Act) add new work requirements for CalFresh and Medi-Cal recipients. The County needs strategies that create jobs for residents facing barriers by leveraging dollars it already spends. With LA28 procurement and local hiring goals ahead, the County should be ready to put certified ESEs to work. The 2028 Olympic and Paralympic Games present a near-term test. The County's 2028 Games Goals Framework, released in September 2026, projects more than 88,000 jobs supported between 2024 and 2028 and commits to 75 percent local spending, a 40 percent local hiring goal on County investments, and protections for unhoused and other vulnerable residents. LA28's Procurement Plan targets 75 percent of addressable spending with Greater Los Angeles businesses and 25 percent with small businesses, with all competitive solicitations published on the Regional Alliance Marketplace for Procurement (RAMP).

The City of Los Angeles's Games Local Hire Working Group is charged with developing programs for youth and transitional workers, precisely the workforce that ESEs are built to serve. Yet neither LA28's supplier program nor the County's Path to 2028 initiative currently recognizes certified social enterprises. Setting a measurable utilization target and modernizing the social enterprise definition is how the County moves from celebrating this field to growing it.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS proclaim November 16 through 20, 2026, as Social Enterprise Week in Los Angeles County (County), in honor of the employment social enterprises that create jobs and career pathways for residents facing barriers to employment, and direct the Director of the Department of Economic Opportunity (DEO), in partnership with the Director of the Internal Services Department (ISD), to host an annual Social Enterprise Marketplace during Social Enterprise Week at or near the Kenneth Hahn Hall of Administration, paired with training for County procurement staff on the Social Enterprise Preference Program and the Social Enterprise Employment and Training Master Agreement (SEMA).

I FURTHER MOVE THAT THE BOARD OF SUPERVISORS direct the Director of DEO, in consultation with the Director of ISD, the Chief Executive Officer, the Auditor-Controller, County Counsel, and the directors of other relevant departments, to report back to the Board in writing in 120 days with the following:

1. A baseline assessment of Social Enterprise utilization for Fiscal Years 2023-24 through 2025-26, including:
    a. The number of certified social enterprises, and how many have a primary mission of employing and training individuals facing barriers to employment;
    b. The number of County solicitations in which the Social Enterprise preference was requested and applied, and the resulting awards;
    c. Total County payments to certified social enterprises, by department and by category of goods and services;
    d. Work orders issued under SEMA, by department and dollar value and whether cash advances were provided; and
    e. Barriers to contracting identified by social enterprises, including cash flow, payment timeliness, contract size, insurance and bonding requirements, and the certification process.
2. A recommended Social Enterprise utilization target, including:
    a. A Countywide target for spending with certified social enterprises, with a specific target for employment social enterprises, expressed as a share of eligible spending and phased in over three years beginning in Fiscal Year 2027-28;
    b. An accountability structure, including departmental utilization plans and an annual utilization report to the Board each November in recognition of Social Enterprise Day;
    c. Recommendations to develop a definition and potential preferences for job quality standards, including competitive wages, benefits, and pathways to permanent employment, for ESEs awarded contracts by the County;

d. Alignment with the California Regional Initiative for Social Enterprise definition in Government Code Section 11788, the SEMA, and County Employment social enterprise (ESE) programs including LA:RISE and RENEW; and
e. Recommendations for amendments needed to County Code Chapter 2.205 and the Preference Program Implementation Guidelines.

3. Recommendations on whether the CalFresh Employment and Training Program should be expanded to additional social enterprises, the timeline for expansion and the forecasted additional revenue that could be drawn down by the 50/50 non-federal match should additional ESEs be added to the County's existing program.
4. Recommendations to strengthen outreach and connect certified social enterprises to 2028 Olympic and Paralympic Games opportunities, including contracting and local hiring, prepared in coordination with the Chief Executive Office Major Events team and DEO's Path to 2028 initiative.
5. In coordination with the CEO's Office of Major Events, recommendations to increase the capacity of certified social enterprises to be an employer of choice for 2028 Olympic and Paralympic Games-related opportunities, and report back to the Board in writing in 60 days with:
   a. Identification of County Games-related contracts, and categories in the LA28 Procurement Forecast, suitable for performance by employment social enterprises, including through SEMA work orders or unbundling;
   b. How ESE and their transitional workers will be counted toward the County's 40 percent local hiring goal and the Protect Vulnerable Angelenos goal of the 2028 Games Goals Framework; and
   c. Engagement with LA28 and the City of Los Angeles on recognizing the County's social enterprise certification within LA28's supplier program and the Games Local Hire Working Group.

I FURTHER MOVE THAT THE BOARD OF SUPERVISORS direct County Counsel, in consultation with the Director of DEO, to prepare any ordinance amendments

to County Code Chapter 2.205 recommended in the report back for the Board's consideration within 120 days of the report back.

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