



FOOTHILL WORKFORCE DEVELOPMENT BOARD

The Workforce Partnership of Arcadia, Duarte, Monrovia, Pasadena, Sierra Madre and South Pasadena

1207 East Green Street, Pasadena, California 91106

(626) 796-JOBS

WORKFORCE DEVELOPMENT BOARD

Chair:

Dan J. Lien
DJL Professional Services

Executive Director:

Dianne Russell-Carter

POLICY BOARD

Chair:

Rachelle Arizmendi
City of Sierra Madre

September 25, 2020

Dear Honorable Mayors and Honorable Councilmembers of Duarte, Arcadia, and Monrovia,

As the Mayor Pro Tem of Sierra Madre, and the Chair of the Policy Board of the Foothill Employment Training Consortium (FETC) (the entity that appoints the Foothill Workforce Development Board), I was disappointed to learn that your representatives on the Policy Board did not communicate their intention to agendize the withdrawal from FETC. On August 13, 2020, the Policy Board met and the respective Policy Board members made no mention of any action regarding a withdrawal.

It was also a surprise to learn that the respective City Councils had either conducted their initial discussion or based their decision on inaccurate information from the August 4, 2020 Monrovia Report (see attachments **A.** Clarification/Corrections of 8/4/20 Monrovia Report; **B.** Copy 8/4/20 Monrovia Report; **C.** Overview of Funding Summary for Policy Board).

Nevertheless, I believe it is our responsibility to continue providing quality services to job seekers in our six-city region. As you continue your efforts in determining the implications and steps necessary for withdrawal, my hope is that we can best strategize our workforce development and job training efforts to better serve our communities.

In my communications with the different Los Angeles County and State of California entities affiliated with this work, the withdrawal process, if it proceeds, may take some time. Therefore, based on some concerns that were expressed in the past, our commitment is as follows:

- Implement a pro-active city-based workforce development services plan, including targeted outreach.
- Improve timely and accurate communication.
- Provide relevant data to stakeholders on a regular basis and upon request.

I look forward to discussing this further with the Policy Board Members and the FWDB Board to meet all concerns.

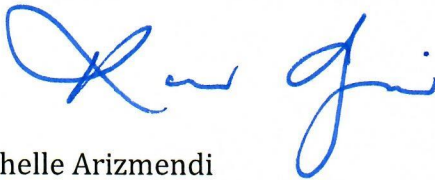
As you continue to deliberate the benefits and disadvantages of staying in the Consortium, I think it's important to note the following if you successfully withdraw and get absorbed by the County.

- As part of the County WIOA System (under the WDACs department), it is unlikely that elected officials will get appointed to the Workforce Development Board. The County does not have a Policy Board. Your cities will most likely lose your decision and voting authority and ultimately, lose local control.

- The County WIOA System (under the County's WDACs department) requires a procurement and competitive process to contract as an AJCC. Currently, there are many AJCC providers in the WDACs system that have a track record of WIOA work.
- Funding allocations will not automatically be "given" to the three Cities. The entire County allocation will be pooled and allocated as they see fit.
- There are Administrative Costs to consider for operating an AJCC.
- There are other performance metrics that must be performed as an AJCC- not just vocational training.

As partners in this Consortium, we are committed to providing our residents and job seekers the best workforce development services possible. I personally, look forward to more open communication and dialogue. Please feel free to reach out if you have any questions.

Best Regards,



Rachelle Arizmendi
Mayor Pro Tem, Sierra Madre
Policy Board Chair, Foothill Employment Training Consortium

CC: Tyron Hampton, Vice Mayor- Pasadena, FETC Policy Board Member
Robert Joe, Mayor- South Pasadena, FETC Policy Board Member
Daniel Jordan, City Manager, Duarte
Dominic Lazzaretto , City Manager, Arcadia
Dylan Feik, City Manager, Monrovia
Steven Mermell, City Manager, Pasadena
Sean Joyce, Interim City Manager, South Pasadena
Gabe Engeland, City Manager, Sierra Madre
Office of Los Angeles County Supervisor Kathryn Barger
Office of Los Angeles County Supervisor Hilda Solis
Dan Lien, Board Chair, Foothill Workforce Development Board
Dianne Russell-Carter, Executive Director, Foothill Workforce Development Board

Attachments: A. Clarification/Corrections of 8/4/20 Monrovia Report
B. Copy 8/4/20 Monrovia Report
C. Overview of Funding Summary for Policy Board (written by John Chamberlain, FWDB Consultant)

Clarification/Corrections of 8/4/20 Monrovia Report

Please see the bullet points below:

- ***“Withdrawal from the Foothill Workforce Development Board”***

As stated in our Joint Powers Agreement, our entity is technically the Foothill Employment Training Consortium (FETC) not the Foothill Workforce Development Board. The Policy Board of the FETC appoints the members of the Foothill Workforce Development Board.

- ***“Equitable annual sub-allocations based on population must be adopted and maintained.”***

The Department of Labor then the State of CA determines the funding formulas of each Workforce Development Board (WDB). Unemployment rates are a key factor to determine city allocations. Population is part of the funding formula- but not the only factor. The State provides the total amount to the FWDB as does not normally break down funding by city. (See additional information in Attachment C: Overview of Funding Summary for Policy Board (written by John Chamberlain, FWDB Consultant)

Notification of formula allocations:

https://www.edd.ca.gov/Jobs_and_Training/pubs/wsin19-45.pdf

- ***“Pasadena receives 66.3% of WIOA funds”***

WIOA dollars for 2020 totaled \$1,457,457. The additional revenue resulted from competitive grants (*including Rapid Response, Veterans, and Youth at Work). FWDB was allocated \$832,645 of WIOA dollars (NOT \$1,057.575) for the City of Pasadena.

WIOA Revenue	\$1,457,457
Other Revenue*	<u>\$1,682,536</u>
Total Revenue	\$3,139,993

- ***“No reliable data...[how] residents benefitted from [any] WIOA funding”***

The following data was shared with the Policy Board. It clearly shows how cities are benefitting when compared to WIOA sub-allocations**If WIOA funding were the only basis for enrollment, with the exception (see ** below), registered clients are somewhat proportional. It is important to note that AJCC do not get to “pick their clients”. AJCC’s must serve whoever walks through their door that is a resident or is from the assigned geographical area.

Foothill Employment & Training Connection Allocation vs Enrollments by City Fiscal Year 2019 - 2020								
Foothill Consortium	Youth	Adult	Dislocated Worker	Total Allocation	# of Registered Clients 03/03/19-03/03/20	% of Total Funding by City	% of Registered Individuals by City	Over/(Under) Served
Arcadia	\$35,795	\$77,409	\$68,799	\$182,003	359	12.5%	17.2%	4.7%
Duarte	\$57,488	\$42,102	\$38,524	\$138,114	3	9.5%	0.1%	-9.4%
Monrovia	\$50,438	\$55,190	\$70,508	\$176,136	319	12.1%	15.3%	3.2%
Pasadena	\$302,627	\$270,269	\$259,749	\$832,645	1216	57.2%	58.3%	1.0%
Sierra Madre	\$1,085	\$9,334	\$18,156	\$28,575	77	2.0%	3.7%	1.7%
South Pasadena	\$20,067	\$30,943	\$46,107	\$97,117	113	6.7%	5.4%	-1.3%
				\$1,454,590	2087			

**Duarte’s numbers are skewed. The CALJobs statewide tracking system shows 200+ Duarte residents are enrolled and being served. The assumption is that those residents are being served by the County contractor. Typically, there is a respect for boundaries amongst AJCC’s/operators.

ATTACHMENT A

- ***“Proposed Training Outcomes”***

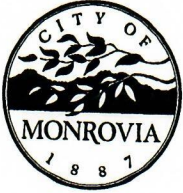
The proposed use of WIOA dollars, if the 3 cities are to capture the total sub-allocation funding, MUST be used according to WIOA regulations with WIOA performance outcomes. The total amount of WIOA funding can't support a stand alone AJCC due to case management costs, program costs, and other operational costs. Additional revenue sources will have to be considered including the possibility of Cities dedicating funding to the AJCC. Currently, none of the Cities fund FWDB and Pasadena would expected to close any budgetary gaps if gaps are identified.

- ***“Monrovia Community Adult School [serves as an] AJCC” and” FWDB failed to implement the terms of the Local Plan”***

MCAS is not an AJCC. AJCC's typically have one center that provides “comprehensive services”. The Local Plan states that the Pasadena Green Street facility serves as the flagship Center and MCAS serves as an affiliate site. An AJCC staff was assigned to MCAS and was paid for with WIOA dollars. In the final MOU between FWDB and MCAS, MCAS is described as partners in the AJCC SYSTEM.

Definitions of AJCC Types

https://www.edd.ca.gov/Jobs_and_Training/pubs/wsd18-12.pdf



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: August 4, 2020

PREPARED BY: Dylan Feik, City Manager

AGENDA LOCATION: AR-3

TITLE: Consideration to withdraw from the Foothill Workforce Development Board

OBJECTIVE: Council discussion and provide direction to staff regarding City of Monrovia's participation on the Foothill Workforce Development Board and consideration to withdraw from the Foothill Workforce Development Board and join the Los Angeles County Workforce Development Board

BACKGROUND: The Cities of Arcadia, Duarte, Monrovia, Pasadena, Sierra Madre and South Pasadena are members of the Foothill Workforce Development Board ("FWDB"), a Joint Powers Authority which receives federal Workforce Innovation and Opportunity Act ("WIOA") funds for job skills assessment, basic education, job training, job placement, and community workforce development. The Cities of Monrovia, Arcadia and Duarte (collectively referred to as "MAD") have maintained cooperative working relationships as members of the FWDB. In years past, the City of Monrovia believes that our community, as well as those of Duarte and Arcadia, have been underserved by FWDB administration and operations, particularly in terms of job training for MAD residents and the equitable sharing of WIOA funds.

America's Job Centers of California ("AJCC") are centralized workforce development centers designed to administer WIOA funds in California. Workforce Development Boards provide WIOA funding to localized AJCCs to ensure localized workforce demands are met. The FWDB utilizes City of Pasadena staff to administer its FIOA funding and is located in Pasadena at 1207 E. Green Street, Pasadena, CA 91106. The FWDB also has stated in its 2017-2020 Local Plan that it has a "brick and mortar" AJCC located at the Monrovia Community Adult School and was submitted and approved by the California Workforce Development Board. The rationale of having an AJCC on the eastern edge of the FWDB region was to better serve MAD residents. Despite reporting the brick and mortar location and resource at the Community Adult School, the FWDB has failed to implement the terms of the Local Plan submitted to the State. Throughout FWDB's implementation of its 2017-20 Local Plan, the FWDB has provided \$0 in training funds for Monrovia Community Adult School to serve as an AJCC for MAD residents.

Current Fiscal Data

MAD has historically received far less funding for workforce development while MAD's workforce development needs continue to grow. Based on data that the FWDB reported out on March 3rd, 2020, MAD receives a sub-allotment of funds totaling \$422,726, or 26.5% of the total available sub-allotment of \$1,594,035, while Pasadena receives \$1,057,575 or 66.3% of those funds. Pasadena accounts for 48.3% of the regional population while MAD represents 39.2% of the population. This inequity in the allocation of training funds is stark and shown below:

WIOA Sub-allotments per City		% of subtotal funds	Population	% of population
Arcadia	\$156,144*	9.8%	56,610*	19.3%

AR-3

Duarte	\$116,004*	7.3%	21,527*	7.4%
Monrovia	\$150,578*	9.4%	36,715*	12.5%
Pasadena	\$1,057,575	66.3%	141,371	48.3%
Sierra Madre	\$26,504	1.7%	10,917	3.7%
South Pasadena	\$87,230	5.5%	25,611	8.7%
			292,751	
Subtotal	\$1,594,035	40.26%		
Administration Costs	\$2,364,987	59.74%		
Total Funding	\$3,959,022			
*MAD Total	\$422,726	26.5%	114,852	39.2%

Making this disparity far more serious, no reliable data supports FWDB's determination of these sub-allotments or, more important, how MAD residents benefitted from any WIOA funds. Despite multiple requests over numerous years, FWDB staff have never provided information requested by the City of Monrovia to explain how these sub-allotment allocations are determined. Going forward, equitable annual sub-allocations based on population must be adopted and maintained.

Training Outcomes

The above table demonstrates that the FWDB uses nearly 60% of its total budget for administrative expenditures to provide only 40% of its budget in actual training, a disproportionate amount of workforce funding that does not benefit MAD. MAD representatives have expressed interest in developing a Memorandum of Understanding ("MOU") which will bring in the resources of Monrovia Community Adult School to share costs, with the result being that 100% of FWDB funds will go directly to training MAD residents. As noted above, a MOU will control how the MAD AJCC will use WIOA funds allocated to the MAD cities. This MOU will provide complete transparency in the use of MAD AJCC funds, and will be revolutionary because 100% of the funding will go directly to job training for MAD residents.

MAD AJCC would use the funds for two training areas: on-the-job training for MAD in-school youth and job training for MAD residents in each of the four WIOA categories. MAD in-school youth would be funded by MAD AJCC for 10-12 weeks of On-the-Job Training with MAD employers. These employers and 60 youth would greatly benefit from this program at a cost of \$374,100 broken down as below:

City	No. In-School Youth Served	Approx. Cost for 10-12 Weeks per Student	Total
Arcadia	20	\$6,235	\$124,700
Monrovia	20	\$6,235	\$124,700
Duarte	20	\$6,235	\$124,700
	60	Total Funds Required	\$374,100

In addition to in-school youth on-the-job Training, MAD AJCC would provide job training by WIOA category to meet other performance outcomes of the WIOA. MAD AJCC is requesting \$422,720 to provide job training for an additional 225 individuals as shown below:

WIOA Category	Total Funds for Job Training	Tuition Leverage Amount	Total Amount for Training	Number Trained
Displaced Workers	\$117,420	\$32,280	\$149,700	60
Out of School Youth (18-24)	\$109,650	\$35,060	\$144,710	65
Veterans	\$94,390	\$21,180	\$115,570	40
Adult	\$101,260	\$44,020	\$147,880	60
Totals	\$422,720	\$132,540	\$555,260	225

Next Steps

Considering the historic complications and dissatisfaction with the FWDB, the cities of Monrovia, Arcadia and Duarte have approached the Los Angeles County Workforce Development Board to learn that MAD could be a sub-recipient of WIOA funding through the County program, retaining far more WIOA funds intended for our communities. MAD could enter into an MOU and outline how we would spend FIOA funds to benefit our residents. The cities of Arcadia and Duarte also are considering whether to withdraw from the FWDB and join the LAWDB which the City of Monrovia Council liaison, Larry Spicer, believes is in the best interest of the City. Withdrawing from the FWDB, along with Arcadia and Duarte, will provide enhanced workforce development, better outcomes and closer equitable allocation of funds to train the future workforces of Monrovia, Arcadia and Duarte. We also believe the transparency, communication and consistency will significantly improve beyond the current level of service.

Should the Council proceed, below is an estimated timeline –

- August 2020 – City Councils of Monrovia, Arcadia and Duarte consider withdrawal of the FWDB at regular meetings.
- September 2020 – the Los Angeles County WDB will consider acceptance of MAD into their JPA.
- Oct/Nov 2020 – 30 days are provided for public comment prior to MAD being accepted into the LA WDB.

FISCAL IMPACT: The net impact of this item is \$0, although the City expects to see increased WIOA funding allocated directly to Monrovia once it becomes member of the LA County WDB JPA.

ENVIRONMENTAL IMPACT: There are no environmental impacts associated with this report.

OPTIONS: The following options are presented for City Council consideration:

- 1) Authorize withdrawal from the Foothill Workforce Development Board; approve the City of Monrovia's application to join the Los Angeles County Workforce Development Board; direct the Council Liaison (Spicer), city manager and city attorney to prepare necessary documents and application in a format approved by the city attorney, and; return to City Council for future approvals of MOUs, JPAs, and other necessary legislative approvals.
- 2) Seek clarification or further detail on specific items, and refer them to staff for additional analysis or research.
- 3) Reject the proposed resolution

RECOMMENDATION: Staff recommends that the City Council adopt option 1.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to authorize withdrawal from the Foothill Workforce Development Board; approve the City of Monrovia's application to join the Los Angeles County Workforce Development Board; direct the Council Liaison (Spicer), City Manager and City Attorney to prepare necessary documents and application in a format approved by the City Attorney, and return to City Council for future approvals of any Memorandum of Understanding, Joint Power of Authority agreement, and other necessary legislative approvals.

Foothill Workforce Development Board

Workforce Innovation and Opportunity Act (WIOA) Formula Funding and Utilization of WIOA Funds for the Joint Powers Agreement (JPA) Cities

An Overview for the Policy Board

As the Policy Board considers how the interests and workforce needs of residents and businesses can best be met by the local workforce development system, the following information is provided to support Board members and cities in understanding key funding, governance and service issues.

Federal Funding Allocation and Transfer of Funding to States and Local Workforce Areas: In enacting WIOA as the nation's central federal workforce program, Congress engineered into the legislation a formula for determining fair shares for states and, within states, fair shares for local areas. Formulas are applied to an annual appropriation.

Federal Budget, Appropriation and the WIOA Funding Formula: Each year, Congress establishes a WIOA budget as a small part of its comprehensive and complex federal budget process covering trillions of dollars. The federal budget year starts October 1, while State and local fiscal years usually begin July 1. Congress often does not agree on the budget until after October 1, which ultimately leads to confusion and delays planning at the state level. WIOA is "forward funded." The money Congress appropriates around October 1 is available the following July 1. This alleviates some of the budget uncertainty at the local level, but, often, lead time gets wasted, as the U.S. Department of Labor and, to a lesser extent, the State of California do not publish allocations until Spring.

The WIOA appropriation by Congress changes each year, but for the last few years has been around \$1 billion each for the Adult, Dislocated Worker and Youth programs for a total of just under \$3 billion. The federal appropriation is divided among the fifty States, the District of Columbia, and several territories (e.g. Puerto Rico, Guam) based upon the statutory funding formulas summarized below.

<i>Allocations: WIOA Adult and Youth Programs</i>	<i>Allocations: WIOA Dislocated Worker Program</i>
<ul style="list-style-type: none">▪ 1/3 based upon "substantial unemployment," the relative number of individuals in each State over a 6.5 % unemployment rate▪ 1/3 based upon "excess unemployment," the relative number of individuals in each State over a 4.5% unemployment rate▪ 1/3 based upon the relative number of adults or youth below the poverty line	<ul style="list-style-type: none">▪ 1/3 based upon the relative number of unemployed individuals▪ 1/3 based upon "excess unemployment," the relative number of individuals in each workforce area over a 4.5% unemployment rate▪ 1/3 based upon the relative number of individuals in each local workforce area who have been drawing unemployment compensation for 15 weeks or more

Relative population size is not a part of the federal or State funding formula.

Allocation of WIOA Formula Funds to the States and to Governor-Designated Local Workforce Areas:

Once the States and territories get their federal allocations, they recalculate the statutory formula, considering just the data in their State to determine how much money each local workforce area receives for each program. WIOA fund allocation within a local workforce area is not addressed by federal or State statutes and is up to the local workforce area. The JPA does not include language guiding fund distribution among the six Foothill cities.

Annual Fluctuations in State and Local Funding: Even with federal funding levels remaining fairly constant from year to year, State and local funding are likely to fluctuate, sometimes significantly. WIOA allocations rise or fall dramatically if a given State or local workforce area rises above or drops just below the 4.5% and 6.5% formula thresholds, which drive the majority of WIOA funding. The

better a place is doing economically, the less federal funds it can expect to receive. This year's (Fiscal Year 2020–21) allocation formula did not consider the "COVID effect." The unprecedented rise in unemployment in March came too late to be factored into July 1, 2020 funding.

Use of Funds at The Local Level: While, as stated, neither WIOA nor California statute prescribe a process for allocating funds to communities within a workforce area, California's Employment Development Department is able to apply the federal funding formula to cities and communities within a local workforce area, which administrators and boards can use as a tool for planning,

Workforce Development Boards (WDBs) Adopt a Budget for the WIOA Formula-Funded Program: The WDB adopts an annual budget, which is subject to review and approval by the Policy Board. The Workforce or Policy Board could elect to format the budget and expenditure reports to show jurisdictions for whose residents WIOA funds are intended to be spent.

Customers Play a Major Role in How Funds Are Actually Used: Complicating "equitable" fund allocation to communities is customer choice. Customers get to choose which center to visit for WIOA services and, if they need training, which school or training provider to use. A local workforce area cannot require an adult, youth, or dislocated worker customer to attend a specific local training institution. Therefore, to a large extent, WIOA customers determine where dollars get spent.

WIOA Discretionary Grants: Under the provisions of WIOA, Governors retain a small portion of funding for discretionary projects. These funds are not subject to the funding formula. Rather, such funding must be allocated and spent as specified by the terms of the grant. Local workforce areas have little control over how discretionary funds are allocated or spent.

Governance, Oversight and Service Delivery within a "Consortium" vs. "County" Local Workforce Area: WIOA prescribes a role for the chief elected official (CEO) of the local area and for statutorily required WDBs, which are appointed by the CEO or a group of elected officials. When local areas are administered by counties, the CEO is, generally, the Chairperson of the Board of Supervisors. In Riverside County, for instance, the Chairperson and other members of the Board of Supervisors fulfill all responsibilities of the CEO function under WIOA and have all related authority. While there are 28 incorporated cities in Riverside County, their mayors and council members have no authority over the program and play no role in decision making.

The Complex WIOA Landscape in Los Angeles County: With 10.4 million residents, L.A. County is the most populous in the nation. It is also home to seven (7) distinct workforce areas: City of Los Angeles (which serves a single city); five (5) municipal consortia: Foothill (serving 6 cities), Pacific Gateway (serving 2 cities), Southeast Los Angeles County (serving 8 cities), South Bay (serving 11 cities), and Verdugo (serving 3 cities); and Los Angeles County, a "balance of county" workforce area, serving the 57 incorporated cities not served by the other 6 boards along with all county unincorporated areas.

CEO Role in the L.A. County and Foothill Workforce Areas: A workforce area's CEO has responsibility for approving local plans, budgets, appointments for the WDB, and more. For the L.A. County workforce area, the CEO function is fulfilled by the County Supervisors. Mayors and councils from Santa Monica, Palmdale, Compton, and other cities served have no role or authority. Under the JPA the established the Foothill Consortium, a Policy Board, with representation by an elected official from each member city, provides the cities a voice in key decision making for the area.

Service Providers and the Local Service Delivery System: Local WDBs must competitively procure service providers to operate career centers or obtain approval from the Governor for WDB staff to deliver services. Foothill has chosen the later option. Los Angeles County competitively procures service providers. Cities served have no role in selection of providers or location of centers.