

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR



Economic and Workforce
Development Department
FREDERICK L. JACKSON
INTERIM GENERAL MANAGER



Workforce *Development* Board
City of *Los Angeles*

Workforce Development Board
LASHONDRA MERCURIUS
CHAIR

November 25, 2025

Council File Number:
Council Districts: All
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The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

City Council
c/o City Clerk
Room 395, City Hall

Attention: Legislative Coordinator

TRANSMITTAL: APPROVAL OF A REPORT FROM THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT REGARDING THE AVAILABILITY OF PROGRAM YEAR 2024-25 CARRY-IN SAVINGS AND RECOMMENDATIONS TO MODIFY THE PROGRAM YEAR 2025-26 (YEAR 26) WORKFORCE DEVELOPMENT BOARD ANNUAL PLAN AND ITS STRATEGIES, ACTIVITIES, AND BUDGET

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that the City Council approve the following:

1. ADOPT the EWDD Program Year (PY) 2025-26 Carry-In Report;
2. APPROVE the proposed modifications to the PY 2025-26 Workforce Development Board (WDB) Annual Plan (Annual Plan) Budget (See Attachment 1);
3. AUTHORIZE the General Manager of the EWDD or designee, to:
 - a. Transfer and re-allocate/re-appropriate funds, including creation of new appropriation accounts as-needed, from prior year savings for programs funded by the City of Los Angeles (City) General Fund (GF), including but not limited to: Cash for College (CFC); Hire LA (HLA); Los Angeles Regional Initiative for Social Enterprise (LA:RISE); YouthSource Centers (YSC); Summer Youth Employment Program (SYEP) and also prior year savings

This WIOA Title I financially assisted program or activity is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.

from non-general funded grant programs and previous year closeouts, including the Californians For All Youth (CFA), Workforce Innovation and Opportunity Act (WIOA) formula, discretionary.

- b. Negotiate and execute agreements and or amendments to agreements necessary to implement the strategies and activities contained in this report, subject to approval by the City Attorney as to form and legality;
4. AUTHORIZE the EWDD to prepare Controller Instructions, including close-out reconciliation of previous year grants, and/or technical adjustments necessary to implement the Modified (Revised) PY 2025-26 Annual Plan budget.

SUMMARY

On June 27, 2025, the City Council adopted the Year 26 Annual Plan for PY 2025-26 (C.F. 25-0596) with a total of \$112.3 million, which included an estimated WIOA budget of \$43.3 million and an estimated \$5.2 million in prior-year program savings.

Due to the estimated revenues used in developing the Annual Plan, the WDB-Local Elected Official (WDB-LEO) agreement requires that the EWDD prepare a report that identifies:

1. Actual Carry-In funds from prior program years; and
2. Adjustments to actual revenues received for the current program year following the close-out of prior-year grants.

The EWDD is required to present this report to the WDB, City Council, and Mayor, along with recommendations for the proposed use of such funds.

This report includes a discussion related to the following items:

1. New Revenues and Carry-In Funds;
2. Modifications to the Annual Plan Budget; and
3. WIOA Administrative CAP Limit statement, including prior year close-out reconciliation of five (5) grants that were previously approved yet still in the close-out process.

This report reflects the final allocation for all grants identified in the Annual Plan and the fiscal year close-out of PY 2024-25 grants. Attachment 1 (Carry-In Versus Original Year 26 Annual Plan) provides a comparison of the projected and actual funding for PY 2025-26 new revenues and carry-in funds.

NEW REVENUES

As summarized in Table 1 below, total New Revenue for PY2025-26 is \$89,675,412. This amount represents a \$4.2 million net decrease from the original revenue projection of \$93,890,884 in the Annual Plan. Significant changes in three funding categories drove the net decrease. The WIOA formula grant increased by a total of \$5.7 million from our initial projection. This included funding increases across all three WIOA funding streams (Adult, Dislocated Worker, and Youth). However, these funding increases were offset by

an unexpected decrease of \$3.6 million in Los Angeles County (County) funds, as well as a decrease of \$4.0 million in Anticipated Revenues. The County funding decreases impacted youth employment programs, including Youth@Work (Y@W) and Y@W CalWorks programs. This decrease follows a \$3.0 million reduction in County Measure H LA:RISE funding at the start of this program year.

With Anticipated Revenues, it should be noted that this funding category is used for planning purposes only, and no actual costs are associated with this funding category. Additionally, the EWDD continues working on multiple competitive grant opportunities, including the College Futures Foundation's (CFF) "*Unlocking Economic Mobility for Adult Learners Funding Opportunity*," and the California Employment Development Department (EDD) Dislocated Worker Additional Assistance (DWAA) funding that may result in new revenues before the end of the program year.

Table 1: Revenues - Proposed Modification = (\$4,215,472)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase/ (Decrease)
WORKFORCE INNOVATION AND OPPORTUNITY ACT FORMULA			
Adult	17,412,514	16,039,523	1,372,991
Dislocated Worker	13,224,336	10,080,271	3,144,065
Youth	17,547,745	16,296,257	1,251,488
Rapid Response	875,467	875,467	0
Subtotal	49,060,062	43,291,518	5,768,544
WORKFORCE INNOVATION and OPPORTUNITY ACT (WIOA) DISCRETIONARY GRANTS			
2024 Severe Winter Storms NDWG	0	1,000,000	(1,000,000)
25% AA Conoco Phillips Planning - Revitalizing Career Solutions	85,000	0	85,000
Subtotal	85,000	1,000,000	(915,000)
CALIFORNIANS FOR ALL YOUTH (YOUTH SERVICE CORP)			
Angeleno Corps	4,775,750	4,385,386	390,364
Automotive and Warehouse & Toolroom Internships	125,117	30,773	94,344
Clean LA	2,934,680	2,438,640	496,040
Early Childhood Education Student Advancement	740,342	1,179,893	(439,551)
LA Community College - City Pathways	1,266,892	928,831	338,061
LA City Pathways for Youth	1,584,848	1,220,852	363,996
LA Community Composting	599,775	248,580	351,195
LA RISE Youth Academy	393,620	776,816	(383,196)
LA River Rangers	2,225,399	2,058,259	167,140
Student to Student Success	1,854,202	1,651,381	202,821
Summer Night Lights	1,531,600	1,100,299	431,301
Teen Parent Prosper Project	426,261	437,784	(11,523)
Youth & Community Harvest Internships	216,991	176,527	40,464
Digital Ambassador	395,980	455,900	(59,920)

Operation Flame Wildland Firefighting Academy	790,931	337,242	453,689
Pathways to Childcare	351,863	377,706	(25,843)
Senior Hospitality Internship for L.A. Youth	196,969	180,572	16,397
Project Planning	0	585,978	(585,978)
Marketing: Recruitment & Outreach	0	1,423,049	(1,423,049)
Youth Service Corps 3.0 Grants Management Only	1,804,856	2,221,608	(416,752)
State of CA Homelessness Pilot Program / CRCD	1,250,000	2,250,000	(1,000,000)
Subtotal	23,466,076	24,466,076	(1,000,000)
LA CITY PROGRAMS			
Cash for College	49,000	49,000	0
Gang Injunction Curfew (GIC) Settlement	1,250,000	1,250,000	0
Hire LA	247,839	285,000	(37,161)
LA:RISE	2,700,000	2,700,000	0
Summer Youth Employment Program	2,700,000	3,000,000	(300,000)
YouthSource Center	486,598	486,598	0
Subtotal	7,433,437	7,770,598	(337,161)
LA COUNTY GRANTS			
JJCPA Probation	120,300	133,500	(13,200)
Project Invest	716,950	558,000	158,950
Youth at Work - Consolidated (SIY, OUY, Foster)	4,082,600	7,087,600	(3,005,000)
WIOA Formula	343,600	343,600	0
Youth at Work-CalWork	1,329,600	2,082,400	(752,800)
Subtotal	6,593,050	10,205,100	(3,612,050)
OTHER FUNDS			
Bank of America	68,000	100,000	(32,000)
Dept of Rehabilitation	993,000	993,000	0
EPA CRCD	500,000	500,000	0
EWDD SYEP - Other Sources	10,000	110,000	(100,000)
DOL Peer Homeless System Navigation Program	516,787	454,592	62,195
Subtotal	2,087,787	2,157,592	(69,805)
ANTICIPATED REVENUES			
25% Additional Assistance - 2025 Layoffs	950,000	5,000,000	(4,050,000)
Subtotal	950,000	5,000,000	(4,050,000)
TOTAL NEW REVENUES	89,675,412	93,890,884	(4,215,472)

CARRY-IN FUNDS

Carry-In funding represents prior-year savings that the City is allowed to carry over into the new program year. The Annual Plan projected a total of \$18.4 million in carry-in funding across WIOA, City, CFA, and discretionary grants. After completing program year close-outs, a total of \$17.6 million in actual savings materialized, a net decrease of \$824,670 from projected savings. Table 2 below provides a summary of changes across all funding categories.

Final PY 2024-25 close-outs resulted in decreases in the WIOA Formula, WIOA Discretionary, and CFA, with net decreases of \$105,598, \$255,331, and \$488,861 respectively.

Table 2: Carry-In Funds - Proposed Modification = (\$824,670)

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase/ (Decrease)
WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) FORMULA			
Adult	1,825,498	2,147,211	(321,713)
Dislocated Worker	2,268,739	2,858,252	(589,513)
Youth	1,076,173	270,545	805,628
Rapid Response	0	0	0
Subtotal	5,170,410	5,276,008	(105,598)
WIOA DISCRETIONARY			
Quest NDWG	27,678	27,678	0
2024 Severe Winter Storms NDWG	62,500	284,752	(222,252)
2025 Wildfire NDWG	378,000	377,953	47
25% LA Fire Additional Assistance Grant	286,874	320,000	(33,126)
Subtotal	755,052	1,010,383	(255,331)
CALIFORNIANS FOR ALL YOUTH (YOUTH SERVICE CORP)			
Angeleno Corps	0	876,000	(876,000)
Early Childhood Education Student Advancement	497	63,134	(62,637)
LA City Pathways for Youth	231,361	0	231,361
LA:RISE Youth Academy	115,418	115,418	0
Student to Student Success	246,274	246,274	0
Teen Parent Prosper Project	84,065	84,065	0
Youth & Community Harvest Internships	63,134	0	63,134
Project Planning	113,299	203,879	(90,580)
Marketing: Recruitment & Outreach	0	231,361	(231,361)
Youth Service Corps (Formerly CFAY 2.0) Grants Management Only	1,877,222	1,400,000	477,222
Subtotal	2,731,270	3,220,131	(488,861)
LA CITY PROGRAMS			
Vision Lab/Digital Inclusion	717,997	717,997	0
Gang Injunction Curfew (GIC) Settlement (LARCA 2.0)	62,600	62,600	0
Hire LA	0	0	0

LA:RISE	116,878	116,878	0
Prior Year Savings Program 1 (Reprogram to Day Laborer)	1,081,900	1,081,900	0
Prior Year Savings Program 2 (Reprogram to LA Rise)	2,186,109	2,186,109	0
City Pathways Supplemental CD 13	25,120	0	25,120
Summer Youth Employment Program	1,200,000	1,200,000	0
Youth Jobs Training Program CD 7	2,636,389	2,636,389	0
YouthSource Center	300,000	300,000	0
Subtotal	8,326,993	8,301,873	25,120
LA COUNTY GRANTS			
Regional Equity Recovery Partnership	110,098	110,098	0
Subtotal	110,098	110,098	0
OTHER FUNDS			
EWDD SYEP - Other Sources	32,776	32,776	0
Prison 2 Employment	6,009	6,009	0
Vision Lab -DOL Community Projects Earmark	188,763	188,763	0
WDB Workforce Development 501c3	300,000	300,000	0
Subtotal	527,548	527,548	0
TOTAL CARRY-IN FUNDS	17,621,371	18,446,041	(824,670)

As summarized in Table 3, the \$5.0 million net decrease in funding consists of \$4.2 million decrease in Revenues as identified (see Table 1) and an additional \$824,670 net decrease in Carry-In or prior year savings (see Table 2).

Table 3 – Summary of Revenues

Funding Source	Proposed Carry-In Report	Adopted Annual Plan	Increase/ (Decrease)
New Revenues	89,675,412	93,890,884	(4,215,472)
Carry-In Funds	17,621,371	18,446,041	(824,670)
TOTAL	107,296,783	112,336,925	(5,040,142)

PROPOSED MODIFICATIONS TO THE ANNUAL PLAN

This report recommends modifying the adopted Annual Plan Budget from \$112,336,925 to \$107,296,783 with major modifications as indicated in Table 4 below:

Table 4: Proposed Modifications

	WIOA Formula	Other Workforce Grants	Total
EWDD Program Oversight	3,549,937	(1,841,358)	1,708,579
Workforce Dev Board Support (EWDD & Mayor)	218,540	168,198	386,738
Other City Departments	24,510	(2,868)	21,642

WorkSource & YouthSource Centers	100,000	(5,814,957)	(5,714,957)
Other Service Providers	125,000	(4,527,746)	(4,402,746)
Supporting Program Activities	1,644,959	1,315,644	2,960,603
TOTAL	5,662,947	(10,703,086)	(5,040,140)

EWDD Program Oversight – \$1,708,579

EWDD program oversight reflects an increase of \$1,708,579. This increase is the result of 1) transferring approximately \$2.0 million from Other Workforce Grants to WIOA Formula, and 2) an increase of \$1,236,463 in the reserved fund for EWDD oversight for PY 2026-27.

Workforce Development Board Support – \$386,738

Similarly, the WDB and Mayor's Office budgets were increased due to current staff hiring and additional WIOA funding.

Other City Departments – \$21,642

The proposed increase of \$21,642 reflects increased costs due to recently negotiated salary increases for several unions impacting our partnering departments, including the EWDD. This increase includes recent cost-of-living adjustments, anticipated 100% payout of unused personal leave and excess sick leave negotiated by City unions, and new support services required from realized new grants.

WorkSource and YouthSource Centers – \$(5,714,957)

WSCs and YSCs - Service Provider allocations reflect decreased funding for \$5.7 million. This is due to the reduction in allocation of Y@W, WIOA Discretionary Grants, and LA:RISE funds. Details are included in both the Service Provider and Supporting Program Activity Schedules.

Other Service Providers – \$(4,404,746)

Non-WSC/YSC - Service provider allocations reflect a net decrease of \$4.4 million. This decrease is primarily due to the reduction in County funding and the 2024 Severe Winter Storm grant funds, which resulted in a decrease in Other Service Providers funding.

Supporting Program Activities – \$2,960,603

Supporting Program Activities include a net increase of \$2.9 million in funding. The following highlights proposed funding changes to support the implementation of the City's Five-Year Workforce Development Plan (Five-Year Plan):

- Horizons 32k Strategic Plan – \$75,000

Funding will support the implementation of the Horizons 32K Strategic Plan (Horizons 32K Plan), charged with reducing the number of young adults experiencing disconnection from school and work in the County by 22% or 32,000 by 2027.

- Strategic Plan Dashboard – \$150,000

Funding will support the development of a new workforce development dashboard that will track and measure progress towards the City's Five-Year Plan, monitoring workforce placements, trends, and opportunities across each targeted sector.

- WDB Marketing, Communications, and Brand Strategy Procurement – \$ 150,000

Funds will be used to develop and implement a comprehensive communications, marketing, and branding strategy to elevate visibility and public engagement of the WDB. The strategy will attract job seekers and employers, increase participation in full WDB and committee meetings, modernize the WDB's digital presence, and foster deeper connections with youth, older workers, workforce partners, employers, stakeholders, and community members passionate about workforce issues. The strategy will also consider the WDB's relationship with the EWDD, which serves as the WDB's administrative entity, delivers direct services, and maintains its own distinct branding strategy and identity.

- WorkSource and YouthSource Performance Evaluation Policy Redesign – \$125,000

Funds will be used to modernize the City's WSC and YSC Operator evaluation and star rating system to ensure alignment with WIOA standards, City priorities, and the Five-Year Plan. The redesigned framework will strengthen accountability, equity, and data consistency across all operators.

- Girls Build LA – \$148,966 (GF)

Funds will be used to establish a two-week summer camp for 60 girls serving South Los Angeles and San Fernando area high schools to introduce female youth to the construction and design industries through hands-on project activities, site visits, introduction to union apprenticeships, and secondary workforce education and training opportunities. The summer camp will introduce and encourage young women to work in the architecture, engineering, and construction industries post-high school graduation.

- Apprenticeship Strategy - Goodwill Industries of Southern California – \$100,000

Funding will support intermediary partners to design and implement Registered Apprenticeship models in non-traditional sectors such as healthcare, social assistance, and entertainment, advancing the City's long-term workforce strategy. This will strengthen employer capacity, labor-management partnerships, and standardized frameworks to ensure equitable, high-quality apprenticeship opportunities for Angelenos. Resources will also fund technical assistance, data tracking, and evaluation activities to document lessons learned, ensure scalability, and inform regional system alignment efforts.

- Older Worker - Peer Navigator Pilot – \$980,000

Funds will be used to establish the Older Worker Peer Navigator Pilot (PNP) program, which will play a critical role in supporting Older Adults (55+) as they re-enter the workforce, pursue upskilling opportunities, enroll in benefits, access supportive services, and navigate the workforce system in Los Angeles. The Peer Navigators, who will also be Older Workers, will bring lived experience and understanding to the role, serving as a trusted guide and advocate for peers seeking to re-enter or advance in the workforce. They will play a meaningful role in empowering Older Adults across Los Angeles to strengthen the workforce and

the City. Additionally, funds will provide training and other service activities to program participants.

- Older Worker Strategy - Implementation (Cause Impacts) – \$250,000

Funding will support the implementation of additional components for Year 2 of the AdvantAGE LA Older Worker Strategic Plan (AdvantAGE LA Plan), including systemwide training and other critical activities. Developed in 2024, the AdvantAGE LA plan contains recommended strategies to address the challenges and barriers to the employment, retention, and advancement of workers 55 years and older in the labor market. The AdvantAGE LA plan aligns with the City's 2025–2030 Five-Year Plan by reinforcing a shared commitment to expanding access to workforce opportunities for all Angelenos, particularly those who face structural barriers to employment.

WIOA ADMINISTRATIVE CAP LIMIT

The WIOA funds are subject to a 10 percent (10%) administrative cap as set forth in the WIOA Final Rule 20 CFR Parts 683.205 and 683.215. These specific administrative functions, as defined in the federal regulations, include City administrative salaries and corresponding fringe benefits and expenses, City central services (indirect costs), WIOA's share of City Attorney, Controller, and Personnel Department's support costs, and the administrative costs of the WSC. The total WIOA administrative costs reflected in the modified Annual Plan budget are within the mandated 10 percent (10%) administrative limit.

OTHER ITEMS

Reconciled Close-Out Funds (Grants)

The EWDD is in the process of administratively closing out five (5) of the previously approved ten (10) unreconciled previous year grant funds, Fund 44A, 51G, 52Q, 54R, and 57A, at a remaining balance of approximately \$1.8 million on request by the Offices of the City Controller and City Administrative Officer. Five of the original ten were reconciled and funds transferred/closed in Annual Plan Year 25 at a total of approximately \$165k (Funds 54P, 56F, 56K, 58Y, and 59R). Therefore, this report reaffirms the approval necessary via the Controller's Instruction to administratively close out these five previously approved grants in the City's Financial Management System (FMS). In short, the reconciliation amount represents funds earned from interest not used or refunded, unused funds due to staffing or program delays, or pending reimbursements. These funds will either be transferred to existing grants upon approval by the granting agencies via a proposed modification/amendment or refunded back to the grantor after reconciliation. This will not have an impact on the proposed revised PY 2025-26 Annual Plan Carry-In report.

LABOR MARKET TRENDS AND IMPACT ON WORKFORCE PROGRAMMING

Los Angeles County Economic Development Corporation Industry Clusters Report (August 2025)

The Los Angeles County Economic Development Corporation (LAEDC) Institute for Applied Economics' *2025 Los Angeles County Industry Clusters* August report provides

a current look at where jobs, wages, and competitiveness are moving across the County's major industry sectors. Regarding job growth (2022–2024), LAEDC reports the following industry trends:

- Hospitality and Tourism +12.9% (rebound continues; prioritize supervisory and customer-facing credentials).
- Education and Knowledge Creation +10.6% (private colleges/universities, research organizations, apprenticeship/training providers).
- Local Health Services +7.5% (over 507,000 jobs in 2024; continued expansion in provider offices, labs, and residential care).
- Performing Arts +6.3% (manager/agent ecosystems and independent creators growing).
- Additional Risers: Transportation and Logistics +3.4%, Aerospace Vehicles and Defense +2.9%, Communications Equipment and Services +2.8%, Music and Sound Recording +2.6%.

EWDD RAPID RESPONSE AND ANTICIPATED INDUSTRY LAYOFFS

Healthcare Layoffs

Despite the LAEDC labor market trends noted above projecting growth in certain healthcare industries, mass layoffs are anticipated in Los Angeles' health care sector in 2025 due to factors like financial strain, budget cuts, and a shifting market. Consequently, the One Big Beautiful Bill Act (OBBBA) further exacerbates this issue, as proposed federal Medicare and Medicaid cuts are estimated at \$698 billion. In California alone, preliminary estimates indicate the proposal would result in cuts of \$10 to \$20 billion on a yearly basis and approximately \$90-100 billion in cuts over the next decade. These changes pose significant challenges for states and healthcare providers, and place immense operational and financial pressure on institutions already grappling with workforce shortages, supply chain disruptions, and post-COVID recovery challenges. Notable examples include recent staffing cuts at Children's Hospital Los Angeles (CHLA), Kaiser Permanente (KP), and Prospect Medical Holdings (PMH), along with an announced hiring freeze and potential service reductions in the Los Angeles County Department of Health Services (DHS).

Within the first four months of PY 2025-26 (July-October), the EWDD's Rapid Response (RR) Team has received Worker Adjustment and Retraining Notification (WARN) from USC Keck, Kaiser Foundation Hospitals, Adventist Health, and CHLA. These layoff notices account for over 1,200 affected employees in the healthcare sector. The impact of the healthcare sector layoffs has been felt throughout Southern California, including Orange County and San Bernardino County. In addition, these layoffs have not only impacted clinical occupations but have also crossed over to the administrative and supportive workforce, such as cafeteria and janitorial staff, within the healthcare sector. The EWDD's RR team will continue to provide resources and access to workforce services for these dislocated employees and will seek opportunities for rapid reemployment, transitional employment, and participation in training programs that lead to living wage employment within high-growth sectors.

IMPACT ON WORKFORCE PROGRAMMING

As part of the City's Five-Year Plan (2025-30), sector coalitions will establish collaborations between employers, workforce providers, training institutions, the City, and other partners to create connected pathways in high-growth sectors. In addition to aligning workforce training with industry demands, the coalitions will establish registered apprenticeship programs that provide job seekers with hands-on, paid training opportunities in key sectors: biosciences; blue and green economy; public sector; construction; entertainment, motion picture, and sound recording; healthcare and social assistance; performing arts, spectator events, and related industries; and transportation. The two sector coalitions that will be launched in 2026 include health care and performing arts, spectator events, and related industries. The EWDD has already procured consultants to initiate this critical work, with final contracts expected to be executed shortly.

The EWDD will continue to monitor labor market trends to ensure the identified sectors and the pilot sector initiatives continue to support the current and future workforce needs of the region and adjust resources as needed.

WDB ACTION

On October 23, 2025, in accordance with the Workforce Development Board-Local Elected Officials (WDB-LEO) Agreement, the WDB at its Quarterly Meeting considered and approved the proposed PY 2025-26 Carry-In Report modifications to the PY 2025-26 WDB Annual Plan.



FREDERICK L. JACKSON
Interim General Manager



LASHONDRA MERCURIUS, Chair
Workforce Development Board

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Attachments: 1. Carry-In Versus Original Year 26 Annual Plan
2. Modified Annual Plan Budget Schedules