

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 07/23)

Fiscal Year 2024-2025	Business Unit Number 0559	Department Labor and Workforce Development Agency
Hyperion Budget Request Name 0559-002-BCP-2024-GB		Relevant Program or Subprogram 0350-Office of the Secretary of Labor and Workforce Development

Budget Request Title
Operational Support Realignment

Budget Request Summary

The Labor and Workforce Development Agency (LWDA) requests 3.0 positions and \$612,000 reimbursement authority in 2024-2025 and ongoing to manage new and existing workloads. This request will make 3.0 limited-term positions permanent.

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Project Approval Document:
Approval Date: Total Project Cost:

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Alisa Melendez-Collier	Date 8/31/2023	Reviewed By Jay Sturges	Date 8/31/2023
Department Director N/A	Date	Agency Secretary Stewart Knox	Date 8/31/2023

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

Principal Program Budget Analyst Andrew March	Date submitted to the Legislature 1/10/2024
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A. Problem Statement

The 2021-22 Budget provided 3.0 limited term staff for three years: a Deputy Secretary, a Staff Services Manager II (Specialist), and a Staff Services Analyst (Communications Analyst). These positions have been vital to supporting workforce development programs and strategies for economic recovery and equity. LWDA is requesting continued funding to maintain the Deputy Secretary position, convert the Staff Services Manager II to a lower classification as a Staff Services Manager I, and maintain the funding for the Staff Services Analyst. These staff are necessary for the continued workforce development and strategic oversight provided by LWDA and to maximize the efficacy of the state's significant investments in workforce development programs in recent years.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY-1	PY	CY
Authorized Expenditures	3,056	5,709	44,719	6,295	6,800	10,911
Actual Expenditures	2,902	3,786	44,719	17,777	10,059	N/A
Revenues	34,333	43,375	50,435	68,933	70,320	N/A
Authorized Positions	12.3	37.2	39.2	28.0	43.0	43.0
Filled Positions	10.8	37.2	39.2	23.1	34.0	35.0
Vacancies	1.5	0	0	4.9	9.0	8.0

B. Justification

LWDA is responsible for providing direct oversight and technical assistance to various departments, boards, and panels, while also managing a variety of specific projects. Over the past several budget years, LWDA has received additional staffing and budget allocations to hire staff in support of various program initiatives. LWDA recently conducted an internal analysis to gain a better understanding of ongoing projects, workloads, and staffing requirements. Based on this analysis, the Agency has concluded that the three limited-term positions continue to be necessary to support LWDA's mission and priorities.

LWDA requests the following:

Permanently Establish the Deputy Secretary of Strategic Workforce

The Deputy Secretary of Strategic Workforce has continued to develop the Agency's workforce strategies, policies, and program initiatives that impact the state's workforce system and outcomes. The oversight provided by the Deputy Secretary has allowed the Agency to address challenges and economic impact on the workforce from Covid 19, and the recent investment in healthcare workforce. In addition, the Deputy Secretary continues to improve access and service delivery to California's most vulnerable workers, including workers of color, immigrant workers, low-wage workers, healthcare workers, justice-involved workers, and workers affected by housing insecurity. Without the Deputy Secretary of Strategic Workforce, the current increased workload will not be completed, potentially triggering a domino effect that could impact the State of California programs supported by this position. Currently, the funding for this position will expire on June 30, 2024.

Create Operational Efficiency

The workload analysis identified a need for organizational changes that will best utilize current staffing resources to support program and policy development within the Agency. The new unit will consist of a Staff Services Manager I and five analyst positions. The unit will support all Deputy Secretaries in the program areas of workforce, communications, evaluation, benefits administration, labor law compliance, legislation, legal, equity, and information technology. The unit will provide a broad diversity of tasks from review of legislative proposals, development of communication plans and outreach activities, project management, evaluation, technical analysis, and administrative support. However, LWDA has identified a funding gap starting in Fiscal Year 2024-25 with two of the positions, the SSM I and one analyst position. The remaining four analysts' positions are funded on an on-going basis and will be redirected to the new unit.

To address the gap in funding, this request would convert the existing limited-term Staff Services Manager II position to a Staff Services Manager I and provide permanent funding. The SSM I will supervise the staff of the unit, assign tasks, manage workload, ensure deadlines are met and assist with more complex assignments. This involves interacting with state, federal, and local officials, community-based organizations, training providers, educational institutions, and private sector employers regarding LWDA initiatives. The SSM I is vital in the development of strategic communication plans and outreach activities for LWDA programs and initiatives, including committees, commissions, and panels. Without funding for this position, LWDA will be compelled to persist in hiring limited-term staff and budgeting on a project-by-project basis, potentially leading to delays in project execution. Currently, the funding for the SSM II position will expire on June 30, 2024.

Continue funding the limited-term Staff Services Analyst (SSA).

The current SSA position conducts research, analysis, and planning for LWDA communications and priority initiatives. This position will move into the new unit and become the communication and outreach coordinator. The analyst will be responsible for conducting research, analysis and planning for the Labor and Workforce Development Agency communications and priority initiatives. In addition, the analyst will provide support for LWDA committees, commissions, panels, and related programs and activities. Researches, prepares analysis, and drafts responses to management on proposed legislation and impact. Currently, this position is limited term and funding will expire on June 30, 2024.

C. Departmentwide and Statewide Considerations

The work of LWDA has grown in both size and complexity since its formation in 2003. LWDA plays a critical role in coordinating the state's resources to support an equitable and inclusive economy. LWDA proposes a new unit to support the broader organizational goals of LWDA. Efficient workload management is essential to consistently meet deadlines. To meet the current demands of projects and workloads, LWDA is pursuing funding and optimizing existing resources to align with the heightened needs.

D. Outcomes and Accountability

Continuation of the staff at LWDA will support the planning and implementation of the myriad of critical initiatives within LWDA, including but not limited to: workforce development programs that support the alignment of workforce development initiatives and funding with programs that support California's transportation, climate, and equity goals; improving LWDA's evaluation programs within the departments; implementing the Community Economic Resilience Fund program; overseeing the Department of Industrial

Relations' implementation of the California Worker Outreach program; supporting the oversight and implementation of the Employment Development Department's benefit programs and implementation of EDDNext customer service improvement effort.

E. Implementation Plan

Upon approval of this proposal, the Deputy Secretary for Strategic Workforce will continue to lead systems change within the state's workforce systems, develop strategies to upskill and re-employ workers, and support the various workforce development and equity initiatives signed into law over the last few years.

For the civil service positions LWDA will begin the recruitment process with the following tentative schedule:

- July 2024 – Prepare personnel requests for authorized position.
- July 2024 – Advertise and recruit vacant position.
- August 2024 – Interview applicants.
- August 2024 – Fill Vacant position.

F. Supplemental Information

N/A

BCP Fiscal Detail Sheet

BCP Title: Operational Support Realignment

BR Name: 0559-002-BCP-2024-GB

Budget Request Summary

Personal Services

Personal Services	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	3.0	3.0	3.0	3.0	3.0
Total Positions	0.0	3.0	3.0	3.0	3.0	3.0
Salaries and Wages Earnings - Permanent	0	304	304	304	304	304
Total Salaries and Wages	\$0	\$304	\$304	\$304	\$304	\$304
Total Staff Benefits	0	193	193	193	193	193
Total Personal Services	\$0	\$497	\$497	\$497	\$497	\$497

Operating Expenses and Equipment

Operating Expenses and Equipment	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
5301 - General Expense	0	8	8	8	8	8
5302 - Printing	0	1	1	1	1	1
5304 - Communications	0	5	5	5	5	5
5320 - Travel: In-State	0	4	4	4	4	4
5322 - Training	0	3	3	3	3	3
5340 - Consulting and Professional Services - Interdepartmental	0	90	90	90	90	90
5340 - Consulting and Professional Services - External	0	1	1	1	1	1
5344 - Consolidated Data Centers	0	2	2	2	2	2
5346 - Information Technology	0	1	1	1	1	1
Total Operating Expenses and Equipment	\$0	\$115	\$115	\$115	\$115	\$115

Total Budget Request

Total Budget Request	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
Total Budget Request	\$0	\$612	\$612	\$612	\$612	\$612

Fund Summary

Fund Source

Fund Source	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
<i>0995 - Reimbursements</i>	0	612	612	612	612	612
Total State Operations Expenditures	\$0	\$612	\$612	\$612	\$612	\$612
Total All Funds	\$0	\$612	\$612	\$612	\$612	\$612

Program Summary

Program Funding

Program Funding	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
<i>0350 – Office of the Secretary of Labor and Workforce Development</i>	0	612	612	612	612	612
Total All Programs	\$0	\$612	\$612	\$612	\$612	\$612

Personal Services Details

Positions

Positions	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
0004 - Deputy Secretary	0.0	1.0	1.0	1.0	1.0	1.0
4800 - Staff Svcs Mgr I	0.0	1.0	1.0	1.0	1.0	1.0
5157 - Staff Svcs Analyst (Gen)	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	3.0	3.0	3.0	3.0	3.0

Salaries and Wages

Salaries and Wages	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
0004 - Deputy Secretary	0	160	160	160	160	160
4800 - Staff Svcs Mgr I	0	88	88	88	88	88
5157 - Staff Svcs Analyst (Gen)	0	56	56	56	56	56
Total Salaries and Wages	\$0	\$304	\$304	\$304	\$304	\$304

Staff Benefits

Staff Benefits	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
5150350 - Health Insurance	0	62	62	62	62	62
5150500 - OASDI	0	19	19	19	19	19
5150600 - Retirement - General	0	97	97	97	97	97
5150900 - Staff Benefits - Other	0	15	15	15	15	15
Total Staff Benefits	\$0	\$193	\$193	\$193	\$193	\$193

Total Personal Services

Total Personal Services	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total Personal Services	\$0	\$497	\$497	\$497	\$497	\$497