



December 5, 2019

Los Angeles Orange County Regional Consortium
CEO Executive Committee

Chancellor Francisco C. Rodriguez
Chancellor Marvin Martinez
President William T. Scroggins
President Kathryn Jeffery
Chancellor John Weispfenning

Dear LAOCRC CEO Executive Committee:

I am writing in response to your November 15, 2019 letter addressed to Chancellor Eloy Oakley, regarding reductions to the 2019-2020 Strong Workforce Program base allocation, as well as concerns related to the timeline and consultation, and past calculation errors.

My Division recognizes the impact delayed notification of FY 2019-2020 allocations has on the LA/OC region Districts' ability to adjust planned expenditures well past the start of the fiscal year, which is further compounded by the significant reductions to the allocation. We acknowledge the need to review and adjust the notification timeline, and improve the consultation process with Districts moving forward.

We are currently in the process of developing a validation methodology for allocation calculations to minimize and reduce the frequency of errors that has been experienced by the field with the Strong Workforce Program in the past year.

With regards to the allocation reduction, there are several factors that contributed to the change in allocation for 2019-2020, of which a drop in CTE FTES likely has the greatest impact (please see enclosed region and district breakdown of CTE FTES used in calculations of the base allocation for 2018-2019 and 2019-2020.)



Additional factors affecting the 2019-2020 allocation include:

- 1) Utilization of the unemployment rate per legislation, correcting a prior formula error
- 2) Scheduled alignment of SWP metrics with Student Success Metrics (SSM)
- 3) Change in SSM definition to better align with the Student Centered Funding Formula

Given that SWP is a fix amount of funding, reinstatement of the reductions is not currently an option. However, in view of the significant impact to funding that has already been committed by Districts in 2019-2020, Division staff is in discussion with the Finance Division to find ways to mitigate the impact of the reductions to the Districts for 2019-2020, including spreading the reduction and impact over several years. I will be following up with CEO Executive Committee Chair, Chancellor Rodriguez, within the next week to discuss in more detail.

Your patience and understanding is very much appreciated as we address Division staffing vacancies and improve processes to provide better support to Districts. We value our partnership and stand ready and open to work together to resolve any concerns or issues.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S Weber', is written over a faint, larger blue signature.

Sheneui Weber
Vice Chancellor, Workforce and Economic Development

Enclosure: CTE FTES Breakdown Comparison

C: Chancellor Eloy Oakley
Deputy Chancellor Daisy Gonzales



SWP Base Funding Comparison of FTES for FY 18-19 to FY 19-20

FY	Region	CTE FTES	Regional 40%	Local 60%
18-19	Los Angeles	72,473	18,257,135	27,385,704
19-20	Los Angeles	68,395	\$ 12,870,408	\$ 19,305,611
Difference		(4,077)	5,386,727	8,080,093
Total Regional + Local (Base)				13,466,820

FY	Region	CTE FTES	Regional 40%	Local 60%
18-19	OC	38,669	7,548,954	11,323,430
19-20	OC	38,050	\$ 7,248,948	\$ 10,873,422
Difference		(619)	300,006	450,009
Total Regional + Local (Base)				750,015

**LAOCRC Total Base Reduction
Impact**

14,216,836

Factors In Calculations		Proportion of SWP Funds
Base Funding	Unemployment Rate	1/3
	Career Education FTES	1/3
	Job Openings	1/6
Incentive Funding	SWP Metrics	1/6



SWP Base Allocation FY 19-20

	District	16-17 CTE FTES	17-18 CTE FTES	Change
Los Angeles	Cerritos	5,585	5,684	(100)
Los Angeles	Citrus	2,891	2,889	2
Los Angeles	Compton	921	934	(13)
Los Angeles	El Camino	3,793	3,892	(100)
Los Angeles	Glendale	3,262	3,210	52
Los Angeles	Long Beach	4,799	4,435	364
Los Angeles	Los Angeles	29,219	25,076	4,143
Los Angeles	Mt. San Antonio	7,568	7,585	(17)
Los Angeles	Pasadena	5,697	5,418	278
Los Angeles	Rio Hondo	3,486	3,963	(477)
Los Angeles	Santa Monica	5,253	5,309	(56)
Los Angeles	TOTAL	72,473	68,395	4,077
Orange County	Coast	9,188	9,743	(555)
Orange County	North Orange	13,718	12,289	1,429
Orange County	Rancho Santiago	9,803	9,968	(165)
Orange County	South Orange County	5,960	6,051	(90)
Orange County	TOTAL	38,669	38,050	619