



# Economic Resiliency Task Force Comprehensive Report

Los Angeles County  
June 2020

## BACKGROUND

On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency in California as a result of the novel coronavirus (COVID-19) global pandemic. Following the Governor’s proclamation the Los Angeles County Board of Supervisors (Board) declared a local emergency in Los Angeles County and the County Health Officer declared a local health emergency as a result of COVID-19 the same day. At the Federal level, on March 13, 2020, President Trump declared the COVID-19 pandemic a national emergency. On March 19, 2020 the County Health Officer issued the Safer at Home Order to slow the spread of COVID-19. As a result of these actions, the spread of the virus has slowed. Nevertheless, COVID–19 has had a profound economic impact on the County. According to the assessment dated May 19, 2020, provided by the Los Angeles Economic Development Corporation, roughly 45.9% of jobs across multiple sectors that have strong roots in the County were at high risk of loss due to COVID–19.

The Board recognized that a plan to revive and re-open the economy required public-private partnerships in which economic sectors, industries and government work closely together. To facilitate such cooperation, on April 28, 2020, the Board established the Los Angeles County Economic Resiliency Task Force to “leverage public-private partnerships to improve the economy, create jobs and return to full employment.” The expectation of this Task Force was to develop actionable recommendations based on the best practices for a phased recovery of the County’s economy. The Task Force consists of the five members of the Board along with the representatives from 13 economic sectors. Each sector was led by a Board appointed task force member (Appendix D: Sector Leads) and comprised of a diverse representative membership. In these work groups, sector leaders and industry stakeholders formulated recommendations for the recovery and revival of that sector and the County economy. More than 300 industry leaders and stakeholders contributed to these work groups. The Task Force convened on May 19, 2020, and completed its work on June 30, 2020. In this brief time, the sector representatives and their work groups formulated hundreds of recommendations (Appendix B: Sector Specific Recommendations) and plans for sector specific re-openings (Appendix C: Sector Specific Reports) in order to inform the County’s evolving return to work plan. The work of the Task Force and the sector work groups took place in a rapidly changing environment. In some cases, recommendations that were proposed early in the process have been fully or partially addressed by subsequent public health orders (Appendix A: Recommendation and Health Officer Order Comparison).



## THEMATIC SUMMARY

Los Angeles County encompasses an enormous and diverse economy. Therefore, the recommendations emerging from one sector will naturally differ in their specifics from the recommendations of another sector. The detailed recommendations from each sector are attached as appendices to this summary. However, despite the differences in specifics, certain themes run through the collective recommendations:

### Health and Recovery

Each of the sector reports underscored the need to protect the health of the public, consumers and employees. The reports were generally supportive of the work of the Department of Public Health (DPH) and many tailored their specific proposals to align with the guidance from DPH. The need to protect health was most directly expressed in the report from the Faith Based Organization sector that defined their vision for recovery as follows: “We are guided by our shared belief in the sanctity of human life and the imperative to protect the health of our congregants and our community.” Moreover, none of the sector reports posed a trade-off between health and economic recovery. Each report was an answer to the question “how might my sector safely recover?” All work groups saw the appropriate reopening of their sector as a contributing factor to, in the words of the Corporate and Manufacturing sector report, “...the well-being of the people of Los Angeles County.”

### Urgency

Many of the sectors report the current economic situation as nothing short of a crisis. The Philanthropy/Nonprofit work group for example reports that 20% of the organizations in their sector are preparing to close and half have less than two months of cash on hand. Hospitals and academic medical centers report sharp drops in the volume of elective procedures with losses to hospitals estimated to be more than \$14 billion since the start of the crisis. The private event industry describes itself as in survival mode. More than one-third of the arts organizations report laying off or furloughing staff. The need to rapidly return to work to restore businesses and preserve jobs was expressed in all the sector reports.



## THEMATIC SUMMARY (continued)

### Testing, Tracing, Isolation and Personal Protective Equipment (PPE)

All sectors agreed on the importance of public health measures such as testing, tracing, isolation and the appropriate use of PPE. However, some sectors were not confident in their ability to properly implement, or pay for, such measures. Technical assistance and financial support are needed. In the words of the Small Business sector report, "...the County's policies around testing, contact tracing and quarantining should be made available in an easy-to-understand format online." Or in the words of the Healthcare and Bioscience report, "employers do not have uniform guidance on post-exposure testing, quarantine and isolation."

### Beyond the Pandemic

Some sectors identified reforms that extend beyond the immediate crisis. The Labor sector report, for example, proposed raising wages in low-wage industries and expediting shovel-ready projects. The Philanthropic/nonprofit sector report proposes long-term changes in County contracting and payment policies as well as the redirection of public dollars into flexible block grants for high need communities. The Faith Based Organization report recommends the creation of Faith Based offices in County Departments. The Arts and Culture report recommends adoption of the Countywide Cultural Policy as well as public art in private development ordinance.



## THEMATIC SUMMARY (continued)

### Clarity and Flexibility

Some sectors reported, in the words of the Small Business sector report, being “frustrated by apparent inconsistencies in state and local health officer orders that seemingly treat similarly situated businesses and regions differently.” The Faith Based Organization report states that they are “...subject to protocols and guidance from cities, the County and the State...it is very challenging to keep track of this changing and at times conflicting guidance.” At the same time, sectors also requested that public health guidance be flexibly applied with the recognition that different circumstances might allow different approaches. This sentiment was expressed in the sector reports for Faith Based Organization, Restaurants and Hospitality, Education, Philanthropy/Nonprofit, Sports and Large Venue Entertainment, and Healthcare and Biosciences.

### Relief

Some sectors called for various forms of economic or regulatory relief during the crisis, including such matters as rent abatement, delayed implementation of increases in minimum wages and limitation of employer liabilities associated with COVID-19.

### Childcare and K-12 Education

During the second Task Force meeting, the Corporate and Manufacturing sector lead stated, “don’t forget the schools.” In a separate submission attached to this Task Force report, the Los Angeles County Office of Education points out that Los Angeles is home to 2.3 million children under 18 years old and that educating them is the “backbone of a vibrant economy and to economic renewal.” Additionally, the education system, after school programs, and day care institutions address childcare needs for children from birth to 12 years old. Unless people have someone to care for their children, they will be unable to return to work and to other activities that drive the economy. The Faith Based Organization report similarly emphasizes the need for guidance about how to open the education programs that they conduct for congregants and the community.



## CONCLUSION

The recommendations emerging from the Task Force process are as diverse as the economy of the County. However, notwithstanding this diversity, the sector reports indicate a common willingness to work together – with County government – to safely get the County back to work. They also reflect a recognition of the scale of the task and an urgent desire to get the job done. In a short period of time the task force was able to:

- Develop plans and recommendations for short-term, medium-term and long-term economic recovery in the County, including industry partnerships and policy considerations to spur economic recovery as the Safer at Home Order is relaxed.
- Identify financial incentives the County can provide to existing or new businesses to spur economic recovery as the Safer at Home Order is relaxed.
- Develop a systematic plan for the most COVID-19 impacted industries and in consultation with labor, provide a systematic plan for rapid reemployment.
- Formulate policy considerations to spur small business growth and create jobs including, but not limited to, tax credits; public infrastructure investments; unsecured/business personal property tax rebates; deferrals; and/or abatements.
- Identify alternatives to existing strategies to engage with the business community regularly, using technology and/or surveys for business owners and business organizations.
- Find options for deferrals; waivers; reduced permitting and licensing fees; or flexible payment structures for qualifying businesses.
- Strategize on community benefits for the most impacted neighborhoods and industries.

## NEXT STEPS

The recommendations and plans developed by the Task Force are intended as an input to policy making by the Board. The Board will now consider these ideas and incorporate them, as appropriate, into motions directing action by relevant County departments.



## Philanthropy and Nonprofit Sector Workgroup Recommendations

June 2020

<b>Philanthropy and Nonprofit</b>
<b>Strategies for Economic Recovery: Meeting Needs</b>
Scale of need is too big – improved coordination and cost savings are essential.
Act on CEO’s 2015 recommendations to reduce administrative burden, time consuming duplication across departments, unnecessary expense and contracting inefficiencies.
Community wide system of care – improve City, County, State, and philanthropy collaboration.
Create nimble funds using block grant approach to address needs in vulnerable communities.
Emergency aid to vulnerable organizations working in targeted communities.
Create a pooled loan fund.
Provide data to set goals and track progress in high-need areas.
Relax reporting burden for 2020.
Support AB5 exemption.
<b>Short-Term Recommendations (Year 1-2)</b>
Provide supplies to support re-opening (kits with PPE, high-powered sanitizing equipment, floor decals, sneeze guards, etc.), ideally leveraging savings through group purchasing and provide subsidies for the necessary safety equipment.
Support HEROES Act and legislative advocacy to protect organizations from liability during pandemic.
Capture lessons learned: develop and distribute a pandemic response toolkit with resources and templates for policies and procedures.
Work with community-based groups and the Center for Nonprofit Management to assess needs, map organizations closing, and gaps in services to the most vulnerable. Agencies should weigh in on funding priorities and accountability metrics. Given the disproportionate impact on communities of color, Supervisors should ask the CEO to hold department heads accountable for allocating resources to identified areas of greatest need.
Form “Resiliency Hubs” who are accountable for linking services and results in areas of greatest need.
County departments should provide consistent guidance on home visitation practices.
Simplify contracting process, allow greater flexibility on County contracts, including extensions, and remove legal liabilities related to referrals.
Expedite reimbursements. Cover full costs – 30% of overhead (consistent with for-profit services sector).
Provide incentives for collaborative efforts, in partnership with foundations, that focus on collective impact to better leverage public/private investment for greater impact and reach.
Supervisors direct CEO, to include in annual reviews, how department directors define the role of the County versus that of contracted legal entities providing social services.
<b>Long-Term Recommendations (Year 3-5)</b>
Use Year 1-2 needs assessment to review data on County investment in social services by area.



<b>Philanthropy and Nonprofit</b>
Define shared goals in communities by listening to community-led groups.
Improve coordination between County and City governments to meet community needs more efficiently.
Fund an ombudsman role to map need, track progress, and articulate what is happening in neighborhoods.
Implement policy changes to redirect public dollars into flexible block grants in highest need communities where the safety net does not reach our most vulnerable residents.
Create entry-level funding opportunities for smaller nonprofit organizations who are filling gaps, but not currently receiving government dollars while serving as trusted resources in communities of high need.
Collaborative grants through public/private partnership to improve access to telehealth, counseling, and other human and legal/judicial services.
Adopt full-cost contracting practices that support equitable wages and benefits.
Implement a centralized website for consumers to apply for County human services; parallel website for community-based organizations to communicate with County staff about their County contracts – with a link to a similar website for City of LA services.
Save 1% by modernizing current system that is fragmented, labor intensive for County staff and nonprofits, adds to administrative costs and away from critical investment in direct services.
<b>Strengthening Impact of Sector</b>
Invite agencies to weigh in on funding priorities and accountability metrics (a Blue-Ribbon approach).
Broker public/private sector partnerships and engage entrepreneurs across the region to generate dollars, creativity, and intellectual capital, around housing, employment, technology, and financial support required for nonprofits to succeed.
Work with public and private sectors to support and develop leaders of color. Support should be consistent to enhance impact while creating a leadership pipeline that better reflects the community.
Predictably, in the coming months, private funding will decline because of donor fatigue and loss of available financial resources. Plan for managing the next emergency, such as fires or earthquakes, as communities who are affected will depend on the nonprofit sector for support and recovery assistance.
<b>Building Resiliency</b>
Work with philanthropy and private sector to support and develop leaders of color.