

LOCAL AREA MODIFICATION REQUEST ANALYSIS
South Bay Workforce Investment Board
Request to add the Cities of Lomita and Torrance

Summary

On October 23, 2014, the California Workforce Investment Board (CWIB) received the signed copy of the application from South Bay Workforce Investment Board (SBWIB) for local area modification. The application is in response to requests made by the Cities of Torrance and Lomita to join the South Bay Workforce Investment Area (SBWIA). The Cities of Torrance and Lomita are currently part of the Pacific Gateway Local Workforce Investment Area. The Board of Directors of the SBWIB voted unanimously in support of the transfer to unify South Bay as a well-defined economic region of Los Angeles County.

The SBWIB appears to have followed all requirements in WIA Directive WIADD05-2, *Local Area Modification Process*, dated July 29, 2005, which governs this process.

Recommendation

The Employment Development Department's Workforce Services Branch recommends approval of the modification request. Adding the Cities of Torrance and Lomita to the South Bay Workforce Investment Area fosters regional collaboration while maintaining quality and accessible services to job seekers and employers. These goals are also consistent with the intent and purpose of the Workforce Innovation and Opportunity Act of 2014.

Description of Local Area

The South Bay Workforce Investment Area is currently operating under a Joint Exercise of Powers Agreement between a consortium of nine South Bay Cities. These are: Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Manhattan Beach, and Redondo Beach. Pacific Gateway Workforce Investment Area is operated by the City of Long Beach and includes the Cities of Long Beach, Signal Hill, Lomita and Torrance.

The SBWIA currently encompasses a population of 523,793, which is 69.2 percent of the total population of 756,535 in the South Bay region of Los Angeles County. The boundary changes will increase the current SBWIA population to a total of 691,527 or 91.4 percent of the total South Bay regional population.

The South Bay is a recognized sub-region of Los Angeles County. In general, the South Bay region reflects the Los Angeles County pattern of a largely service-oriented economy which accounts for almost three-quarters of all non-farm employment, and a government sector accounting for approximately 15 percent of all non-farm employment. Among the service industries, professional and technical services are the largest accounting for 14 percent of employment. These are followed by educational and health services providing jobs in a variety of professions such as legal, architectural, engineering, accounting, computer design, advertising, environmental consulting, commercial photography, veterinary services, and more. The third largest industry is administrative and support services, travel agents, security services, and employment services such as temporary employment.

While the economic profile of the SBWIA somewhat mirrors that of Los Angeles County, there are significant distinctions within the South Bay region, especially in the six industry sectors, which are prioritized in the South Bay Workforce Investment Board's Local Plan. The four priority sectors in the SBWIA are: construction; healthcare; manufacturing; and trade, transportation and utilities. Professional and technical services and entertainment also show promising growth in the region.

Development of Modification Request

1. Has the initiating local board provided signed support for the modification from the local board and designated local CEO?

Yes. The SBWIB met on October 16, 2014, and a motion was unanimously passed to approve the transfer of Torrance and Lomita to the SBWIA. On October 22, 2014, the Local Board Chair, Wayne Spencer, signed the Local Area Modification Request Signature Page. On October 23, 2014, James T. Butts, Jr., the Mayor of the City of Inglewood, signed the Local Area Modification Request as the designated CEO. The State received the appropriate signature page as required.

The transfer of Torrance and Lomita was presented at the City Council meetings of the nine cities included in the SBWIA. The vote was passed unanimously by each of the City Councils.

2. Have the local board and the local CEO designee for the other local areas whose boundaries will change submitted support for the modification?

Yes. The City Council of Lomita approved the motion on September 10, 2014 and on September 9, 2014 the City Council of Torrance also approved the motion to join the Southbay Workforce Investment Area. However, the Executive Director of Pacific Gateway, Nick Schultz, made public comments in opposition to the transfer of cities at both the Torrance City Council meeting on September 9, 2014, and the Lomita City Council meeting on September 10, 2014. An e-mail was also received by Jan Vogel, Executive Director of South Bay WIB, from Mr. Schultz on October 28, 2014, stating that the Chief Elected Official of Pacific Gateway is opposed to the SBWIB's Local Area Modification Application. The Executive Committee of the Pacific Gateway WIB met on November 18, 2014, and they voted to not support the transfer of the cities.

3. Has the public been notified of the request and allowed sufficient time for public comment?

Yes. The public comment process included a public notice in the Daily Breeze South Bay newspaper from October 1–20, 2014, and a public notice on the SBWIB website from October 8–20, 2014.

The South Bay Workforce Investment Board, and its Executive and Business and Economic Development Committees, held public meetings on April 17, September 10, and October 1, 2014, respectively. These meetings and the previously mentioned nine City Council meetings were properly noticed and allowed for public comment on this proposed Local Area modification.

During the comment period, letters in support of this modification request were provided by:

- Assemblymember Al Muratsuchi
- Congresswoman Maxine Waters
- Senator Ted Lieu
- South Bay Cities Council of Governments
- Lomita Chamber of Commerce
- South Bay Association of Chambers of Commerce
- Torrance Chamber of Commerce
- El Camino College
- Torrance Unified School District
- International Brotherhood of Electrical Workers, AFL-CIO (IBEW Local 11)
- Ironworkers Local Union 433
- Laborers International Union of North America Local 1309

- Painters & Allied Trades District Council 36
- South County Labor – Local Union 250, AFL-CIO
- United Association of Plumbing and Pipe Fitting industry Local 78

Analysis of Modification Request

1. Describe the resources available in each of the local areas to administer WIA activities.

South Bay’s Workforce Investment Act formula allocation for Program Year (PY) 2014-15 is \$4,309,868. The funding streams are: Youth - \$1,461,268; Adult - \$1,490,437; and Dislocated Worker - \$1,358,163. Pacific Gateway’s formula allocation for PY 2014-15 is \$5,555,220. The funding streams are: Youth - 2,044,449; Adult - \$1,899,417; Dislocated Worker – \$1,611,354.

It is estimated that approving the modification request will change the local area allocations by increasing South Bay’s amount by 16.52 percent or \$711,985. Pacific Gateway will conversely lose 12.82 percent, or \$ 712,254.

If approved, the modification and realignment of cities should not adversely affect the local areas. While WIA funding is based on formulas for each fund source (Youth, Adult, and Dislocated Worker), it is also driven by each local jurisdiction’s relative share of the State’s allotment.

Historically, South Bay WIB secures supplemental funding for local and regional workforce development programs through competitive grants. In 2012, South Bay requested and received \$19 million in Additional Assistance funding from the State for the California Multi-Sector Workforce Partnership Project. This project includes 14 participating Workforce Investment Boards who served over 2,500 dislocated workers to date.

2. How will the boundary change help produce a more comprehensive and integrated workforce development system?

The boundary change will support a more regionalized approach in existing partnerships that builds stronger connections between job training programs and local employer needs .The Cities of Torrance and Lomita both indicated the South Bay Workforce Investment Area is indigenous which allows for continuity with other cities in the South Bay and can assist the cities in meeting training and employment goals.

South Bay WIB provides leadership in the region to connect workforce and economic development efforts through Industry Sector Partnerships identified in manufacturing, health care, construction, trade, transportation and utilities, and media and entertainment. The SBWIB acts as an intermediary to convene, investigate, and report on the labor force needs of the sector to industry, education, and workforce agencies. Sector partnerships are underway for manufacturing and health care which established strong collaborative efforts among post-secondary institutions, economic development and workforce development systems, which helps ensure that workforce and labor market needs and requirements are well-aligned.

The SBWIB funds and oversees a number of training and employment programs, some of which are currently available to Torrance and Lomita residents through contractual providers. The boundary change will provide Torrance and Lomita residents with access to a more comprehensive, integrated service delivery system.

By combining eleven city local governments, the boundary change will increase regional coordination and collaboration. Both WIA and non-WIA resources will be leveraged with existing services and resources in these cities to support a more comprehensive and integrated workforce system.

3. Describe the geographic area served by local educational agencies and intermediate educational agencies within the modified boundaries.

Within the modified boundaries, there will be an increase in the number of local education agencies. There are currently fourteen public secondary schools in six K -12 school districts with 23,447 students in the SBWIA. The boundary change will add four high schools from Torrance Unified School District and one high school (Narbonne) in Los Angeles Unified School District/Local District 7, which serves Lomita, bringing the total to nineteen high schools with a student population of 31,920. The change will also add the Southern California Regional Occupation Center to SBWIA which provides services to high school students and adults throughout the South Bay region.

4. Identify the extent to which the service area affected by the boundary change is consistent with the local labor market.

The boundary change may unify the existing South Bay labor market area. According to the Los Angeles Economic Development Corporation, the Los Angeles

Times, the Daily Breeze and Wikipedia Encyclopedia, the South Bay is a well-defined region of Los Angeles County comprised of inland and coastal communities and cities with a distinct regional economic profile. Thirty-seven percent of the country's aerospace workforce is located in the South Bay. The region is headquarters to some of the nation's leading aerospace companies including SpaceX in Hawthorne, the Aerospace Corporation in El Segundo, and Northrup Grumman Aerospace Systems in Redondo Beach, as well as key facilities for Raytheon, Lockheed Martin, Boeing, and a host of aerospace supply firms. El Segundo is home to Los Angeles Air Force Base whose Space and Missile Systems Center is responsible for creating much of the nation's global space platform and over 60,000 jobs in Los Angeles County. Two South Bay Cities worked collaboratively with the Base to resolve employee housing issues which helped retain the Base in the South Bay.

5. Identify the maximum distances that individuals will need to travel to receive services within the newly proposed service area.

According to SBWIB, accessibility will improve under the proposed boundary changes. The SBWIB will relocate the Beach Cities One-Stop Center which is currently located in Redondo Beach to the City of Torrance. This will provide direct, local access to services for residents and businesses in Torrance and the adjacent City of Lomita. The new location will offer greater access to public transportation and will be located within a 30-minute or less commute from the center of each of the cities served including El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach, Torrance, and Lomita. Targeted youth services will be made available in each city on school campuses, at community centers, and, as available, city-operated facilities such as the Torrance "ATTIC" Teen Center.

6. Will the modification improve the operations and services in the participating local areas?

The South Bay WIB is committed to building and maintaining a comprehensive workforce development system that is sector-focused, responsive to business, and fosters the development and delivery of training services along career pathways. These efforts should help bridge the gap between skills currently available in the workforce and the needs of the growing and emerging sectors in the local economy. Training and services should provide ample opportunity for all job seekers from all backgrounds, including disconnected youth, persons with disabilities, and other special populations to access training in demand occupations. Training is linked to industry-recognized certifications that will enable job seekers to earn competitive

wages and, through additional training and experience, to progress along a career path.

The South Bay WIB is currently preparing for the transition from the Workforce Investment Act to the Workforce Innovation and Opportunity Act (WIOA) of 2014, which commences operation on July 1, 2015. Their training and services strategies as a High Performing WIB will embrace the vision of WIOA which includes:

- Fostering regional collaboration to promote alignment of workforce development programs with regional economic development strategies;
 - Maintaining high quality and accessibility of services to job seekers and employers;
 - Utilizing effective strategies that provide services to employers around regional growth industry sectors;
 - Making key investments in serving disconnected youth and other vulnerable populations; and
 - Providing access to high quality training.
7. Will the modification provide greater accessibility to services for customers in the service areas affected by the change?

Yes. The SBWIB currently operates One-Stop Career Centers in four South Bay Cities within SBWIA including Inglewood, Gardena, Carson, and Redondo Beach. In the past five years, more than 1,200 Torrance and Lomita residents have accessed services through these One-Stop Centers. The boundary change will expand the capacity of the Beach Cities One-Stop Center by relocating to a larger, more centralized location in the City of Torrance. With this change, the cities served by this center will include Redondo Beach, Manhattan Beach, Hermosa Beach, Torrance and Lomita. These cities are geographically aligned for easier access by residents and businesses.

8. Will the modification better align workforce resources?

The boundary change will support a more regionalized approach with existing partnerships that build stronger connections between job training programs and local employer needs as required under WIOA. The key business and education partnerships affected by the change indicated their support in letters attached to South Bay's modification request. The entities included the Lomita Chamber of Commerce, the Torrance Chamber of Commerce, the South Bay Cities Council of Governments (SBCCOG), El Camino College, Torrance Unified School District, the

South Bay Association of Chambers of Commerce, and Local Labor Unions. The Cities of Torrance and Lomita indicated that joining the South Bay Workforce Investment Area allows for continuity with other cities in the South Bay and enhances their ability to meet employment and training goals.

9. Provide any other information that may be relevant to an objective assessment of the modification request.

The South Bay WIB has successfully operated employment and training programs for many years. In addition to the numerous Additional Assistance (Dislocated Worker) grants awarded, SBWIB has administered other employment and training grants and programs. These include:

- Multi-Sector National Emergency Grant: The \$17 million award is the largest grant awarded by the U.S. Department of Labor to a local WIB.
- GAIN Program, Vocational Training Intermediary: The SBWIB has operated the Greater Avenues for Independence (GAIN) Program Vocational Training Intermediary in partnership with Los Angeles County for more than 20 years serving thousands of participants annually.
- Blueprint I Skills for Workplace Success: This program is designed to equip youth and young adults with skills to enter and succeed in employment.
- Blueprint II: This program was recently developed by SBWIB as a web-based job readiness curriculum that provides job retention training to adult job seekers.
- Fit for Gold Tutoring & Fitness Academy: This program was established in 2003 in response to declining student test scores and increased cardiovascular disease and diabetes among children due to lack of exercise and poor nutrition.
- Teen Centers: These centers are operated in Hawthorne and Inglewood in collaboration with City government, education, and community partners.
- Centinela Youth Services: For more than 25 years, SBWIB administered Centinela Youth Services, a non-profit agency that provides mediation and conflict resolution services throughout Los Angeles County.