



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: *DC* David N. Carmany, City Manager

FROM: Ariana Kennedy, Management Analyst *AK*

DATE: July 5, 2011

SUBJECT: Consideration of a Resolution Opposing Senate Bill 776 Amending the California Unemployment Insurance Code

RECOMMENDATION:

Staff recommends that City Council adopt Resolution No. 6323 opposing California Senate Bill 776, an amendment to the California Unemployment Insurance Code.

FISCAL IMPLICATION:

The direct fiscal impacts are unknown at this time.

BACKGROUND:

Senate Bill 776 is a proposed California Unemployment Insurance Code amendment being considered by the California State Legislature. The bill could trigger the closure of over 100 One-Stop Career Centers - the state's primary system for getting Californians back to work and positioning businesses to recover from the economic downturn. The bill will require that at least 50% of all formula allocated funds for low-income adults and displaced workers be expended on training. The number of training recipients at One-Stop centers will not increase; rather, hundreds of thousands of unemployed workers will lose access to the badly needed staff assistance provided by the One-Stop Centers. Staff will be laid-off, hours of operation will decrease and many Centers will close.

Locally, the South Bay Workforce Area is served by four One-Stop Career Centers which are funded and overseen by the South Bay Workforce Investment Board. The centers have had more than 100,000 local job-seeker visits this year. The four centers are:

- South Bay One-Stop Business and Career Center, Beach Cities;
- South Bay One-Stop Business and Career Center, Gardena;
- South Bay One-Stop Business and Career Center, Inglewood; and
- Carson Career Center

Larry Guidi, Mayor of Hawthorne asked Mayor Montgomery and the Manhattan Beach City Council to follow the lead of the Hawthorne City Council and adopt a resolution expressing opposition to Senate Bill 776.

Attached is Resolution 6323 (Attachment A) and the request from Hawthorne Mayor Guidi (Attachment B).

DISCUSSION:

Should City Council decide to oppose Senate Bill 776, staff recommends that the City Council adopt Resolution No. 6323. A certified copy of the resolution will then be forwarded to the California Assembly Committee on Labor and Employment with a copy send to the League of California Cities and the South Bay Workforce Investment Board.

- Attachment: A. Resolution No. 6323
 B. Request from Hawthorne Mayor Guidi

RESOLUTION NO. 6323

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MANHATTAN BEACH, CALIFORNIA, IN OPPOSITION TO SENATE
BILL 776

WHEREAS, the California State Legislature is considering Senate Bill 776 (DeSaulnier) as an amendment to the California Unemployment Insurance Code; and

WHEREAS, many unemployed One-Stop Career Center customers are requesting job placement assistance and support services upon enrollment in the WIA Adult and Dislocated Worker Programs in order to reconnect to the workforce during this period of double-digit unemployment; and

WHEREAS, SB776 requires that local workforce investment boards (WIBs) and One-Stop Career Centers authorized by the federal Workforce Investment Act of 1998 (WIA) expend 50% of all formula funds for job-seeker training and related supportive services under the WIA Adult and Dislocated Worker Programs at the expense of services to customers who are not in need of training; and

WHEREAS, SB776 will diminish the ability of California's One-Stop Career Centers to meet the critical non-training, yet employment-related needs of unemployed job-seekers such as: assessment services, career guidance, ombudsman services, case management, child care assistance, transportation assistance, housing assistance, and job placement services, which tend to coincide with outplacement services and staffing assistance provided for small businesses and other local employers; and

WHEREAS, SB776 will result in a fewer unemployed Californians served by One-Stop Career Centers, and fewer One-Stop Career Center customers able to receive staff-assisted employment services; and

WHEREAS, under SB776, unemployed and under-employed California residents in need on non-training employment services will have fewer community options for such assistance; and

WHEREAS, when implemented SB776 will tend to inflate average participant training costs due to concurrent cutbacks in One-Stop Career Center capacity and increased training expenditure requirements; and

WHEREAS, SB776 enacted will result in increased unemployment insurance expenditures in California consistent with greater numbers of unemployed workers who remain disconnected from unsubsidized employment for longer periods of time; and

WHEREAS, SB776 usurps the federal authority granted to individual WIBs to set WIA policy in their individual jurisdictions, including the ability to allocate resources effectively to meet the needs of the largest number of local job-seekers;

NOW, THEREFORE, BE IT RESOLVED, as chief local elected officials of the South Bay Local Workforce Investment Area, which is comprised of the cities of Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Manhattan Beach, and Redondo Beach, the Mayor and Council of the City of Manhattan Beach, California formally oppose SB776 in order that California's local WIBs may continue to meet the employment needs of the communities they serve under challenging economic conditions without undue constraints using the full and unabridged local authorities granted to them by the federal Workforce Investment Act of 1998.

ATTACHMENT
A

PASSED, APPROVED, AND ADOPTED THIS 5th day of July, 2011.

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk

APPROVED AS TO FORM:


Special Counsel

CITY OF HAWTHORNE



4455 West 126th Street • Hawthorne, California 90250-4482

OFFICE OF THE MAYOR

June 15, 2011

The Honorable Richard P. Montgomery
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Dear Mayor Montgomery:

Senate Bill 776 (DeSaulnier) threatens to dramatically reduce the ability of local workforce investment boards and their One-Stop career centers (One-Stop centers) to meet the diverse employment needs of California workers. Specifically, SB776 will require that at least 50% of all formula allocated funds for low-income adults and displaced workers be expended on training. The number of training recipients at One-Stop centers will not increase under SB776; rather, hundreds of thousands of unemployed workers will lose access to the badly needed staff assistance provided by these centers--staff will be dismissed, center hours will be curtailed, and One-Stop centers will close.

In an economy where high unemployment is the norm, California's One-Stop centers are an indispensable source of self-help and staff assisted workforce services for those who have modest financial means and others who find themselves out of a job through no fault of their own. Locally, the South Bay Workforce Investment Area is served by four One-Stop career centers (below) funded and overseen by the South Bay Workforce Investment Board (SBWIB). **Collectively, these centers had more than 100,000 local job-seeker visits this year.**

Center

South Bay One-Stop Business and Career Center, Inglewood
South Bay One-Stop Business and Career Center, Beach Cities

South Bay One-Stop Business and Career Center, Gardena
Carson Career Center

Serving

Inglewood, Hawthorne, Lawndale
Redondo Beach, Hermosa
Beach, Manhattan Beach, El Segundo
Gardena
Carson

Attached is a resolution opposing SB776, which was unanimously approved by the Hawthorne City Council on June 14th. I urge you and your city council to call and write your assembly members and to express your opposition in writing to each member of the California Assembly Committee on Labor and Employment with a copy to the League of California Cities and Jan Vogel, Executive Director of SBWIB. For additional comment on SB776, feel free to call me or Jan Vogel at 310.970.7700.

Respectfully,

Larry Guidi
Mayor

Attachment:

ATTACHMENT
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