



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: SEPTEMBER 21, 2017

FROM: GOVERNMENT AFFAIRS

SUBJECT: RESOLUTION NO. _____ - ACCEPTANCE OF A MODEL HIGH ROAD TRAINING PARTNERSHIP GRANT UNDER FISCAL YEAR 2018, GRANT NO. K7105619, FROM THE CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT

SUMMARY:

Staff requests the Board of Harbor Commissioners (Board) accept and approve reimbursement Grant Award, Grant No. K7105619, with the California Employment Development Department (EDD) for the reimbursement of funds allocated to the City of Los Angeles Harbor Department (Harbor Department) under the Fiscal Year (FY) 2018 for the Model High Road Training Partnership Grant. If approved, the proposed State reimbursement grant will be in the amount of \$500,000 with an end date of October 31, 2018. Funds will be used to hire a consultant to help create a skill-focused, industry-based demonstration project that helps the up-skilling and re-skilling of the current the International Longshore and Warehouse Union (ILWU) workforce. As the grant is a reimbursement grant the Harbor Department is financially responsible for front-funding the \$500,000 amount before requesting reimbursement from the EDD.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Grant Award Agreement, Grant No. K7105619 for FY 2018 between the City of Los Angeles Harbor Department and the California Employment Development Department for reimbursement of funds allocated to the Harbor Department under the Fiscal Year 2018 Model High Road Training Partnership Grant Program;
3. Authorize the Executive Director/designee to execute and the Board Secretary to attest to the WOIA Subgrant Agreement for the Award;
4. Authorize the Harbor Department to implement the demonstration project approved for funding by the EDD;
5. Approve the budgetary transfer of \$500,000 from the Unappropriated Balance to the following operating expense accounts:

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- a. \$475,000 to Center 0260, Account 54290 – Miscellaneous Professional Services, Program 000, and
 - b. \$25,000 to Center 0260, Account 53000 – Domestic Travel, Program 000
6. Direct the Board Secretary to transmit the Resolution to the Mayor for approval pursuant to Section 343(b) of the City Charter;
 7. Direct the Board Secretary to notify the City Clerk of such transfer pursuant to Section 343(d) of the City Charter at the time such transfer is made; and
 8. Adopt Resolution No. _____.

DISCUSSION:

Background:

The Port of Los Angeles (Port) is America's largest container port and handled a record 8.9 million twenty-foot equivalent units (TEU) in calendar year 2016. The \$272 billion in trade processed through the Port supports local, regional, and even national job creation. In 2016, it is estimated the cargo throughput at the Port of Los Angeles created more than 143,000 jobs (about one in 13 jobs) in the City of Los Angeles, 513,000 jobs (or one in 17 jobs) in the five-county Southern California region, and 1.6 million jobs nationally.

Despite the Port's success, future competitive challenges are expected. Maintaining the Port's role as an economic and job creation engine, while navigating a rapidly changing maritime shipping industry and addressing environmental impacts, is the key to the future of the Port and the region. To accomplish this, the Harbor Department has embarked on a comprehensive effort to invest in infrastructure, provide greater value to our customers, and continue our leadership role in safety, security, and environmental sustainability. Investment in human capital is a key component of this effort, and the Harbor Department is committed to developing new and innovative ways to support supply chain workforce development.

The California Workforce Force Development Board (CWDB) and EDD earlier this year announced a grant opportunity in Workforce Innovation and Opportunity Act (WIOA) federal funds to design, develop, implement and/or advance Model HRTF projects like the Harbor Department's "Port Workforce Training Center" concept.

Port Workforce Training Center Concept:

Building toward a comprehensive supply chain workforce effort, the Port starts with the core of port cargo operations. Currently, there are approximately 7,000 longshore workers, 1,100

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clerks, 400 foremen, and 7,000 casuals employed in the San Pedro Bay Port Complex (i.e., the combined Ports of Los Angeles and Long Beach). These workers, represented by the International Longshore and Warehouse Union (ILWU) Locals 13, 63, and 94, operate and maintain cargo handling equipment, as well as handle information and computer systems, at terminals across the Port Complex. Traditionally, training to operate terminal equipment and computer systems occurs on the job, which may limit terminal efficiency and lengthen the time it takes to train workers.

As an initial step toward a sector-based workforce effort, the Harbor Department is proposing a partnership with labor, industry, and other institutional partners to establish a Port Workforce Training Center (Center). The Port Workforce Training Partnership (Partnership) will include the Port of Los Angeles, the International Longshore and Warehouse Union (ILWU), the Pacific Maritime Association (PMA), and the City of Los Angeles Economic Workforce Development Department (EWDD), along with oversight by the Office of the Mayor.

The Model High Road Training Partnership Grant

The Model High Road Training Partnership (HRTP) grant will assist in establishing and formalizing the Partnership. The Partnership will be responsible for development of a strategic plan, completion of memoranda of understanding between the parties, and assessment of sector workforce needs. By the end of the model HRTP grant, the Partnership will be established with implementation of a workforce training program underway. Funds will support a skill-focused, industry-based demonstration project that advances equity by linking workforce innovation to regional challenges of job quality, economic opportunity, and environmental sustainability.

The model HRTP initiative aims to build, document, and evaluate a field of practice that simultaneously addresses critical questions of income mobility, economic competitiveness, and climate change through “ground up” skills strategies designed to support economically and environmentally resilient communities across the state.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval, acceptance, and entering into a Grant Award with Employment Development Department for the reimbursement of funds. As an administrative activity, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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UNDER FISCAL YEAR 2018, GRANT NO. K7105619

FINANCIAL IMPACT:

The transfer of funds from the Unappropriated Balance to the Adopted Operating Expense Budget will increase the FY 2018 Adopted Operating Expense Budget by an additional \$500,000. However, \$500,000 in grant proceeds will be recorded within Non-Operating Revenue Account 76081 upon award of the grant to the Department. Therefore, any grant-related increase in operating expense cash outflows will be offset by a like increase in non-operating revenue cash inflows upon award of the grant to the Department, and the Harbor Department's ultimate financial responsibility will be limited to staff time to manage the grant. Approval of this budgetary transfer request from the UB will increase the FY 2018 Operating Expense budget by \$500,000 to \$268,668,325. Staff will continue to monitor actual Operating Revenue and Expenses so as to continue to maintain at least a 45% Operating Margin by fiscal-year-end. Staff will notify the Board if projections begin to indicate that the actual FY 17/18 Operating Margin will fall below 45%. The consultant agreement for consultant services described herein will be brought before the Board in a separate, future Board action.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Agreement as to form and legality.

TRANSMITTAL(S):

1. Agreement between the City of Los Angeles Harbor Department and the California Employment Development Department
2. The project matrix/scope of work

FIS Approval: MB
CA Approval: CRS

APPROVED:



DAVID LIBATIQUE
Senior Director, Government Affairs

 FOR

EUGENE D. SEROKA
Executive Director