WIOA REGIONAL PLANNING UNITS

EXECUTIVE SUMMARY

This policy provides guidance and establishes procedures regarding the review and update of existing Regional Planning Unit (RPU) boundaries. This policy applies to all Local Workforce Development Boards (Local Board) and Local Workforce Development Areas (Local Area) and is effective immediately.

This policy contains no state-imposed requirements.

This policy finalizes Workforce Services Draft Directive, WIOA Regional Planning Unit Update (WSDD-209), issued for comment on February 13, 2020. The Workforce Development Community submitted 12 comments during the draft comment period. A summary of comments, including all changes, are provided as Attachment 2.

This policy supersedes Workforce Services Directive *California Regional Planning Units* (WSD15-17), dated February 24, 2016. Retain this Directive until further notice.

REFERENCES

- *Workforce Innovation and Opportunity Act* (WIOA) (Public Law 113-128) Section 101(d)(3)(E) and Section 106 (a) and (c)
- Title 20 *Code of Federal Regulations* (CFR) Section 679.210

BACKGROUND

The WIOA Section 106 requires the Governor to identify planning regions in the state and references specific elements that must be considered as part of the RPU identification process. As outlined under WIOA Section 101, the California Workforce Development Board (CWDB) is

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the entity responsible for fulfilling this requirement, on behalf of the Governor, and in consultation with the Local Areas and Local Boards.

Identifying regions align workforce development activities and resources within a larger regional economic development area to provide coordinated and efficient services to job seekers and employers. In recognition of this purpose and to facilitate designation of RPUs on a data-driven basis, Title 20 CFR Section 679.210 names economic, geographic, and demographic factors that may be considered in RPU designation. These factors include data points such as commute patterns, industrial composition, location of population centers, labor force conditions, and geographic boundaries.

As part of implementing the WIOA and the California Unified Strategic Workforce Development Plan (State Plan), the CWDB issued previous guidance which outlined the current 14 RPUs. The 14 RPUs were designated using an economic market framework created by the Employment Development Department's (EDD) Labor Market Information Division (LMID) and based on the US Office of Management and Budget's system of Metropolitan Statistical Areas and analysis of California's geography and transportation infrastructure. The LMID collected input from its economists, labor market consultants, and other subject matter experts to place counties into designated economic markets. The LMID reviewed commute patterns, industry composition, geographic proximity, and size of labor force data to assess and finalize the placement of each county into an economic market. This process divided California into eight economic markets and 19 economic submarkets. In February 2016, these economic markets were compared with the operational boundaries of Local Boards whose jurisdictions sometimes straddled the identified economic market boundaries. The CWDB utilized Local Board boundaries, the EDD's identified economic market boundaries, and other workforce regional boundaries (i.e. those of the community colleges), to develop the boundaries of the 14 RPUs.

POLICY AND PROCEDURES

This Directive provides the final RPU boundaries that were based on the LMID RPU Boundaries Analysis (Attachment 1) completed in October 2019 and the data-driven input received from the workforce community.

In the context of developing a new State Plan, the CWDB revisited the existing RPU framework to identify necessary adjustments based on economic or demographic changes in the period since the 14 RPUs were first identified. To assist in this process, the LMID conducted an updated analysis that incorporates the most recent commute pattern data from the US Census Bureau's American Community Survey and the most recent labor force and industry employment data from LMID.

The results of this analysis were provided in the draft version of this Directive, WSDD-209, and the workforce community was given an opportunity to submit public comments to RPU boundaries based upon those findings.

The methodology of the analysis is summarized below. A full description with a breakdown of applicable data for each RPU is available in Attachment 1.

Methodology

The methodology for analysis consists of four parts:
- Part One – Divide California into Economic Markets and Submarkets
- Part Two – Group Counties into Preliminary RPUs Based on Commute Pattern Analysis
- Part Three – Complete Additional Analysis to Finalize Placement of Remaining Undecided Counties
- Part Four – Cross Reference Data-Driven Results with Local Area Jurisdictions

Part One – Divide California into Economic Markets and Submarkets

In 2014, the LMID divided California into economic markets and submarkets. The intent of selecting economic markets and submarkets as starting units of analysis is to begin with a foundation that is data-driven and independent of the need to account for the operational and political jurisdictions of the California workforce system.

The economic markets and submarkets identified as a result of the empirical analysis performed in 2014 have been used as a basis to analyze present commute patterns and, where necessary, additional economic factors, to validate or invalidate existing RPU designations on an empirical basis.

Part Two – Group Counties into Preliminary RPUs Based on Commute Pattern Analysis

Since California has undergone economic and demographic changes in the years since the 14 RPUs were originally designated, county-to-county commute patterns within each RPU were re-analyzed using the US Census Bureau's most recent American Community Survey data.

The present analysis begins from the unit of the county, and proceeds by first identifying the county that is the commute and economic "center of gravity" of its submarket, known as the Base County. Each Base County retains ("holds") and receives ("imports") the largest numbers of daily commuters in comparison with the hold-import numbers of all other counties in its economic submarket. With Base Counties thus identified, remaining counties were classified through examination of their commuter export relationships with other counties in the larger economic market region.

The taxonomy of counties and the process used for their designation is as follows:

1. Base County – A county that holds and imports more commuters than any of the other counties in a selected economic submarket.

For example, Santa Clara County is the single largest commuter destination in Submarket C of the San Francisco Bay Area Economic Market, holding and/or importing 1,009,391 commuters daily. It is therefore designated the Base County of its economic submarket.

2. More Connected County – The top export destination for these counties is inside the same economic market. This is established when the number of commuters to a selected county's top export destination measures more than 10 percent of the total number of commuters living and working in the selected county.

   For example, within the San Joaquin Valley Economic Market, the top commuter destination for residents of Madera County is Fresno County with 9,859 commuters daily. Because Fresno County is within the same economic market, Madera County is designated More Connected by way of Fresno County.

3. Less Connected County – These counties are less connected to either a Base or More Connected County in the same selected economic market and are independent (i.e. self-sustaining) in nature. This is established when the number of commuters to a selected county's top export destination measures less than 10 percent of the total number of commuters living and working in the selected county.

   For example, Sierra County lacks appreciable commuter export relations with any neighboring county and is therefore categorized as Less Connected. Less Connected counties' RPU placement is based on geographic proximity with neighboring counties.

4. Undecided County – The top export destination for these counties is outside the selected economic market. This creates a complex scenario that requires additional analysis of commute patterns as well as economic factors such as labor market size and industry sector composition, to decide whether these counties should be moved from their current economic market and into another.

   For example, the destination of the largest number of daily commuters from Calaveras County, which was located in the Eastern Sierra economic market as a result of analysis in Part One, is San Joaquin County with 2,268 commuters daily. Because San Joaquin County is located in a different economic market (San Joaquin Valley), this finding indicated a need for further analysis to validate placement of Calaveras County.

Part Three – Complete Additional Analysis to Finalize Placement of Remaining Undecided Counties

Since placement of an Undecided County could not be determined through commuter flow analysis alone, each Undecided County was subjected to additional analysis of industry composition (employment levels of major industries) and labor force size (which indicates the extent of industry and occupational diversity and/or complexity within the local economy) to determine the relative similarity of its local economy to the economies of its top commute destination counties. Additionally, with the awareness that jobs and services must be

accessible to county residents, geographic proximity was taken into consideration. The purpose of analyzing these factors was to generate additional data needed to accurately place an Undecided County into a preliminary RPU.

Part Four – Cross Reference Data-Driven Results with Local Area Jurisdictions

Results of analysis in Parts Two and Three yield an up-to-date empirical picture of California's regional economic markets and submarkets, and counties' placement within them. To develop an updated RPU framework, the CWDB and the EDD also took local administrative boundaries and planning relationships into account. In particular, results of the foregoing analysis were cross-referenced with Local Area boundaries to ensure that each Local Area is placed into only one RPU and is not subdivided, in accordance with WIOA Section 106 and Title 20 CFR Section 679.210.

Updates to RPUs

The findings of the LMID commute pattern were not intended to be directly prescriptive, but instead to identify those regional arrangements that are data-supported and to differentiate them from those that are not. Because WIOA intends RPU creation to facilitate a Local Board's ability to plan and align services, the CWDB provided the workforce community with the opportunity to provide public comment. Proposals for alternative modifications required a compelling, data-based rationale in order to be considered. A summary of comments and CWDB's response is included in Attachment 2.

Based upon the findings of the LMID analysis and data-driven arguments received in public comment, there are 15 RPUs with the following two updates:

1. The former Coastal RPU is divided into its two constituent economic submarket regions, to be known as the North Central Coast and South Central Coast RPUs.

    Rationale for Update
    *   The division of the Coastal RPU into North Central Coast and South Central Coast RPUs is supported by data in the LMID analysis (Attachment 1) that show much greater density of commuter flows within each of the two submarket regions compared with any commuter flow between them. In each of the two new RPUs, regional commuters flow overwhelmingly to the base county that comprises the region's economic "center of gravity" (respectively Monterey and Santa Barbara), and not to counties outside the region.

    *   Multiple public comments presented additional economic, geographic, and organizational factors that support the division. These included employer location, location of workforce-relevant administrative boundaries, and organization of regional public transportation.

2. The San Benito Workforce Development Board relocated from its current RPU of Bay Peninsula, to join the North Central Coast RPU.

   Rationale for Update

   - Results of the LMID RPU Boundaries Analysis support San Benito County's placement within Preliminary RPU A (the North Central Coast RPU), based upon analysis of relevant economic factors.

   - Public comment presented data on the location of workforce-relevant administrative boundaries to support this relocation.

Final List of RPUs

These new boundaries are effective July 1, 2020, and should be used when developing your PY 2021-24 WIOA Regional and Local Plans. The CWDB will provide additional information about other planning and grant activities for the current program year in the coming months.

The final list of RPUs was established using the data from the LMID analysis in Attachment 1 and data-driven feedback provided during the public comment period. As a result, the final list below exhibits differences from the original proposed RPUs in the LMID analysis, however changes were not made to Attachment 1 as a result of the public comments.

Bay Peninsula RPU
- North Valley Job Training Consortium (NOVA)
- San Francisco County Workforce Development Board
- San Jose-Silicon Valley (work2future)

Capital RPU
- Golden Sierra
- North Central Consortium
- Sacramento Employment and Training Agency
- Yolo County Workforce Investment Board

East Bay RPU
- Alameda County Workforce Development Board
- Oakland Workforce Development Board
- Contra Costa County Workforce Development Board
- Richmond Workforce Development Board

Inland Empire RPU
- Riverside County Workforce Development Board
- San Bernardino County Workforce Development Board

Los Angeles Basin RPU
- Foothill Workforce Development Board
- Pacific Gateway Workforce Development Board
- City of Los Angeles Workforce Development Board
- Southeast Los Angeles County Workforce Development Board (SELACO)
- South Bay Workforce Investment Board
- Verdugo Workforce Development Board
- Los Angeles County Workforce Development Board

Middle Sierra RPU
- Mother Lode Workforce Development Board

North Bay RPU
- Sonoma County Workforce Investment Board
- Workforce Alliance of the North Bay
- Workforce Development Board of Solano County

North Central Coast RPU
- Monterey County Workforce Development Board
- San Benito County Workforce Development Board
- Santa Cruz Workforce Development Board

North Coast RPU
- Humboldt Workforce Development Board

North State RPU
- Northern Rural Training and Employment Consortium Workforce Development Board (NoRTEC)

Orange RPU
- Anaheim Workforce Development Board
- Orange Workforce Development Board
- Santa Ana Workforce Development Board

San Joaquin Valley and Associated Counties RPU
- Fresno Regional Workforce Development Board
- Kings County Workforce Development Area
- Merced County Workforce Development Board
- Stanislaus County Workforce Development Board
- Workforce Development Board of Kern, Inyo, & Mono
- Workforce Development Board of Madera County
- Workforce Development Board of San Joaquin County
- Workforce Investment Board of Tulare County

South Central Coast RPU
- San Luis Obispo County Workforce Development Board
- Santa Barbara County Workforce Development Board

Southern Border RPU
- Imperial County Workforce Development Board
- San Diego Workforce Partnership

Ventura RPU
- Ventura County Workforce Development Board

ACTION

Bring this Directive to the attention of the local Chief Elected Official, Local Board, and appropriate staff.

INQUIRIES

If you have any questions, contact Phyllis Jeffrey at Phyllis.Jeffrey@cwdb.ca.gov.

/s/ JAIME L. GUTIERREZ, Chief
Central Office Workforce Services Division

Attachments are available on the internet:
1. Data Driven Analysis for Regional Planning Units (PDF)
2. Summary of Comments (PDF)