

In This Issue

- What is Leadership? Call for Nominations for Leaders of the North Bay
- Moss Adams Joins NBLC
- Gates Says Innovation Not Slowing Down
- Education No Longer an Equalizer
- Members in the News



This issue looks at the good, the bad and the ugly. Good news on our newest member Moss Adams. Good news on innovation. Good news on so many who could be this year's Leaders of the North Bay if you take a minute to nominate them. Bad news from Bill Gates on the U.S.'s lack of educational competitiveness in the global market.

And an ugly warning about how education can be a double edged sword regarding upward mobility from the President's Commission on Higher Education in 1947: "If the ladder of educational opportunity rises high at the doors of some youth and scarcely rises at all at the doors of others, while at the same time formal education is made a prerequisite to occupational and social advance, then education may become the means, not of eliminating race and class distinctions, but of deepening and solidifying them." Read the articles below in full to see how prescient that warning is.

Best,



Cynthia Murray

What is Leadership? You Tell Us - Nominate a Leader of the North Bay



Defining leadership is always of interest to NBLC; after all, leadership is our goal, and the subject of our annual awards. We read this excerpt from David Foster Wallace's 2000 essay, "Up, Simba: Seven Days on the Trail of an Anticandidate" now collected in a new book, [Consider the Lobster](#), and thought it nailed the definition. See if you agree.

"It is just about impossible to talk about the really important stuff in politics without using terms that have become such awful clichés they make your eyes glaze over and are hard to even hear. One such term is "leader," which all the big candidates use all the time – as in e.g. "providing leadership," "a proven leader," "a new leader for a new century," etc. – and have reduced to such a platitude that it's hard to try to think about what "leader" really means and whether indeed what today's Young Voters want is a leader. The weird thing is that the word "leader" itself is cliché and boring, but when you come across somebody who actually is a real leader, that person isn't cliché or boring at all; in fact they're sort of the opposite of cliché and boring.

Obviously, a real leader isn't just somebody who has ideas you agree with, nor is it just somebody you happen to believe is a good person. Think about it. A real leader is somebody who, because of his own particular power and charisma and example, is able to inspire people, with "inspire" being used here in a serious and non-cliché way. A real leader can somehow get us to do certain things that deep down we

think are good and want to be able to do but usually can't get ourselves to do on our own. It's a mysterious quality, hard to define, but we always know it when we see it, even as kids. You can probably remember seeing it in certain really great coaches, or teachers, or some extremely cool older kid you "looked up to" (interesting phrase) and wanted to be just like. Some of us remember seeing the quality as kids in a minister or rabbi, or a scoutmaster, or a parent, or a friend's parent, or a supervisor in a summer job. And yes, all these are "authority figures," but it's a special kind of authority. If you've ever spent time in the military, you know how incredibly easy it is to tell which of your superiors are real leaders and which aren't, and how little rank has to do with it. A leader's real "authority" is a power you voluntarily give him, and you grant him this authority not with resentment or resignation but happily; it feels right. Deep down, you almost always like how a real leader makes you feel, the way you find yourself working harder and pushing yourself and thinking in ways you couldn't ever get to on your own. In other words, a real leader is somebody who can help us overcome the limitations of our own individual laziness and selfishness and weakness and fear and get us to do better things than we can get ourselves to do."



Here's to the real leaders in our community! If you know a real leader, please consider nominating them, or an organization, team or partnership, for a 2014 Leaders of the North Bay Award. We are calling for nominations so we can honor the best leaders in the North Bay. For more information or a nomination form, please click [here](#).

Please Save the Date: Leaders of the North Bay Awards Luncheon, October 31, 2014 at Embassy Suites, San Rafael. If you are interested in being a sponsor, please click [here](#) for more information.

Moss Adams Joins North Bay Leadership Council

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Moss Adams LLP, the largest accounting and business consulting firm headquartered on the West Coast and one of the largest in the nation, is the newest member of North Bay Leadership Council (NBLC). The global public accounting and business consulting firm celebrated its centennial in 2013, having grown to more than 2,000 employees, 22 offices in the U.S. and revenues over \$400 million (as of January, 2014).

The North Bay offices, in Santa Rosa and Napa, focus on regional industries like agribusiness, food, wine, construction, real estate, manufacturing, and technology. In addition to tax and assurance services, Moss Adams' North Bay offices offer wide array of consulting and wealth services, including business owner succession, estate planning, and personal financial planning. The North Bay Business Journal has repeatedly recognized Moss Adams as a Best Place to Work. Northbay Biz named it the Best Accounting Firm for 2010.

Brad Bollinger, chair of NBLC's Board and publisher of the North Bay Business Journal, said, "We welcome Moss Adams to the NBLC membership of leading companies in the North Bay. NBLC members – and Moss Adams is no exception -- are on the frontlines daily working to create and support a vibrant local economy and strong communities. We commend and welcome Moss Adams' commitment to local leadership."

Jeff Gutsch, Partner in Charge, is Moss Adams' representative on NBLC's board. Gutsch is the firm's national practice leader for wineries and vineyards, the Wine Industry Group, and is a member of the Food Processing and Agriculture Steering Committee. Active in the community, he belongs to a number of wine industry associations, and serves on the Charles Schulz Museum's audit committee and the advisory committee to the accounting departments at SSU and California State University, Chico, his alma mater. Gutsch also holds a Master's Degree in Taxation from Golden Gate University.



Said Gutsch, "We like that NBLC's members share our goal to strengthen the North Bay's economy and communities. Moss Adams is eager to demonstrate our commitment to corporate social responsibility in collaboration with these like-minded organizations."

Bill Gates: 'The Idea That Innovation Is Slowing Down Is ... Stupid'



In "Bill Gates: 'The Idea that Innovation is Slowing Down Is ... Stupid,'" by Uri Friedman, (The Atlantic, March 12, 2014) Gates forcefully disagreed with economists and analysts who say the pace of technological innovation is slowing, and no longer driving productivity and economic growth. Said Gates, "Innovation is moving at a scarily fast pace."

Gates continued, "Take the potential of how we generate energy, the potential of how we design materials, the potential of how we create medicines, the potential of how we educate people, the way we use virtual reality to make it so you don't have to travel as much or you get fun experiences," Gates also pointed out that innovation doesn't always work the way we think it might – giving the examples, when innovation is happening fast enough, it sometimes *shrinks* GDP by disrupting industries (e.g. the damage the Internet has had on the newspaper industry) or increasing costs (e.g. the proliferation of medical technology).

Gates is also concerned about the U.S.'s ability to compete in the global economy given our educational challenges like adopting a national standard like Common Core. He says, "We're very unusual: There are two other countries that don't have a national standard for what you should know at various levels of your education." Textbooks in Asian countries are often less than half the size of U.S. textbooks, he said, "and they're far more focused on teaching you to do a few things very well than teaching you many things every year. And look, they're just getting way, way better results with their system."

"States may choose to deviate, but they should make sure first that they have high standards and quality standards, and that they have a really good reason not to share the same analysis and tools that are being created because of the scale advantage that lets innovators come in, do a



piece of work once, and have it applied to a very large number of students," he said.

He admitted that the promise of massive open online courses, or MOOCs, has yet to be realized, and said the critical step is making the technology scalable for millions of people, rather than simply making MOOCs available online. "Give us another eight years, and this will have changed the balance," he predicted. "It will have brought a factor of two of efficiency to most of higher education."

Equalizers No More - Politics Thwart Colleges' Role in Upward Mobility



Building on Bill Gates concerns about American education, in "Equalizers No More," Suzanne Mettler (*The Chronicle for Higher Education*, March 3, 2014), makes a strong case that "The American system of higher education is in crisis. Over the past 30 years, it has gone from facilitating upward mobility to exacerbating social inequality. College-going, once associated with opportunity, now engenders something that increasingly resembles a caste system: It takes Americans who grew up in different social strata and widens the divisions among them. The consequences are vast, including differences among graduates in employment rates and lifetime earnings, in health, and in civic engagement."

Mettler blames the government for the crisis and traces how this political failure occurred. She says, "at its core, this transformation represents a political failure, a breakdown of representative government that no longer provides effective mechanisms by which Americans can pursue a better life. Higher-education policies that worked well in the past to mitigate inequality are still in place, but they have deteriorated and gone off course. Thus we are squandering one of our finest accomplishments and historic legacies, a system of higher education that was long characterized by excellence and wide accessibility."

As a further indictment, Mettler says, "Today we see college degrees as investments that yield benefits only to individuals. But when the United States was founded, public officials promoted higher education because it mattered for the public. They strongly believed that by encouraging and subsidizing advanced learning, the nation would foster the knowledge, creativity, dynamism, leadership, and skills that would spur economic growth, technological innovation, and social advances."

Mettler finds we began going off track in the 1980s. She says, "Those born in the quarter-century following World War II possess higher rates of college education than do people in their generation elsewhere in the world, but that is no longer the case for subsequent generations. Eleven other nations—not only in Western Europe but including Poland and South Korea—have leapfrogged over the United States in the percentage of their young obtaining four-year college degrees."

And more alarmingly, Mettler ties this to the growing inequality in the U.S. She says, "More important, stalled progress in the United States has occurred primarily among people earning low to moderate incomes. Indeed, people in those groups are barely more likely to graduate from college than are those in their parents' generation. Making matters worse, this trend has



developed during the same decades as economic inequality has widened and a college degree has become more important than ever in determining Americans' employment opportunities and income."

Mettler points out that soaring tuition and shrinking incomes have caused declines in college attendance. She says, "Still, tuition increases do not occur in a vacuum. The long history of federal and state support for higher education demonstrates powerfully that students have never been charged the full cost. Government has always played a supportive role, in effect subsidizing the cost of tuition through a wide array of public policies. As recently as the 1980s, individual states contributed most of the funds needed by public colleges, thereby managing to keep tuition low for state residents. Rather than cite tuition increases alone to explain the crisis in higher education, we need to consider what has become of government's support for students and institutions."

"The real problem is that public policies function far less effectively than before to ameliorate inequality in college-going," says Mettler. She describes three areas of policy failure:



"First, federal student aid—though more costly than ever—no longer promotes opportunity as well as it did in the past. That is in part because policy makers permitted Pell Grants, for students from low-income families, to fall behind in value as tuition escalated, leaving students with no option apart from borrowing more. The value of the maximum grant in covering tuition, fees, and room and board at the average four-year public university fell from nearly 80 percent in the 1970s to only 31 percent in 2012-13."

"Second, state governments no longer treat public higher education as a high priority. The vast network of state universities and community colleges continues to enroll 73 percent of all college students, but between 1990-91 and 2009-10, state governments decreased funding for them by an average of 26 percent in real terms—even as operating costs increased. To close the gap, the colleges have raised tuition, which has skyrocketed by 113 percent in real terms between those years. In effect, public higher education has become increasingly privatized as students and their families have been left to shoulder the increased costs."

"Third, lawmakers have permitted the for-profit education industry to capture a huge portion of federal student-aid funds."

Mettler says that our political landscape is cluttered with old and outdated policies in great need of maintenance and modernization. She says, "The extent to which lawmakers engage in policy maintenance depends on the political context in which they dwell. What becomes clear is that when left alone, policies can develop over time in ways that undermine their ability to achieve their goals... a fundamental task of contemporary governance is policy maintenance: Lawmakers need to monitor policies, assess whether repairs are required, and conduct reforms as needed."

Mettler says, "Maintaining policies effectively requires political leaders to recognize and value the basic purposes of public policy. It demands public officials who are creative thinkers and flexible negotiators. Landmark higher-education laws were created in the mid-20th century typically at the initiative of

Democrats, who controlled Congress, but they enjoyed a fair amount of bipartisan support. Since the 1994 elections, however, constructive bipartisanship has all but vanished from the political landscape. This partisan environment has not only hindered chances that public officials will enact bold new landmark laws; it has also proved detrimental to their performance of even the basic tasks necessary to maintain existing ones.”

Mettler says, “For the United States to effectively expand opportunity to low- and middle-income Americans, enabling them to enroll in college, gain a good education, and graduate while not taking on an unreasonable amount of debt, we must redirect resources and invest in institutions and policies that promise to be most effective.” She continues, “We also need to reduce drastically aid to institutions that serve students poorly, or structure the allocation of aid in ways that require greater institutional accountability. At the same time, we should strengthen community colleges that have accommodated less advantaged students and served them well at a much lower cost.”

Another solution Mettler offers is, “We must revitalize the historic partnership among the federal government and state governments and private nonprofit institutions, to ensure that all parties do their part. In recent years, the federal government has increased its commitment to students, but the vast majority of states have declined to uphold their end of the bargain. ”

Mettler ends with this warning from the President’s Commission on Higher Education in 1947: "If the ladder of educational opportunity rises high at the doors of some youth and scarcely rises at all at the doors of others, while at the same time formal education is made a prerequisite to occupational and social advance, then education may become the means, not of eliminating race and class distinctions, but of deepening and solidifying them."

Members in the News

Dominican Receives Record \$17.5 Million Gift; Business School to be Named for Donor

Dominican University of California today announced the receipt of the largest single gift since the school opened in 1890; one expected to ultimately generate \$25 million in new income and helps fund the expansion of programs like a newly structured master’s degree in business administration.

Kaiser Permanente Community Activity

Kaiser Permanente works hard to be active in the community. Take a look at their Community Update.

Sonoma Raceway Seeks to Hold Non-Racing Events

Seeking to host a four-day rock festival as a way to refresh its operations and restore some lost revenue, Sonoma Raceway will seek permission to hold non-racing events at its Carneros wine region track.

Marin Sanitary Services Launches Food Scraps-to-Energy Program for Restaurants

If you have a difficult time leaving food on your plate, your conscience will be relieved to learn that Marin has launched its first food scraps-to-energy program that turns leftover plant matter into renewable energy.

Ghilotti Construction Company Receives North Bay Business Journal’s Corporate Philanthropy Award

Ghilotti Construction Company was selected to receive the Business Journal’s inaugural corporate philanthropy award

BioMarin Completes \$116M Purchase of San Rafael HQ

BioMarin Pharmaceutical (Nasdaq: BMRN) completed its \$116.5 million purchase of the 13-acre San Rafael Corporate Center campus with headquarters for the developer of treatments for rare diseases, the seller said Tuesday.

St. Joseph Health-Affiliated Hospital and Outpatient Surgical Center Cardiologists are the Bay Area's First to Implant Miniature, Wireless Cardiac Monitor

New minimally invasive device provides remote monitoring to detect irregular heartbeats

Comcast is Proud to Bring the Community Internet Essentials

Internet Essentials from Comcast is the nation's largest and most comprehensive broadband adoption program. It provides low-cost broadband service for \$9.95 a month; the option to purchase an Internet-ready computer for less than \$150; and multiple options to access free digital literacy training in print, online and in person.

Sunny Hills Services Establishes Sonoma County Advisory Council

Community Leaders join forces to help further Agency's Mission

Agilent Event Aims to Get Girls Into Engineering

The task: create a structure to move a marble from above a table to the bottom. The supplies: a box containing toilet paper rolls, rulers, paper, pipe cleaners, tape, string, foil and more. The catch? Speed is the enemy: the more time it takes the marble to reach the end, the better.

Agilent Technologies and More Sonoma County Businesses Running Clean

Toxic chemical releases from Sonoma County industries have declined steadily for six consecutive years, confirming the county's reputation as a magnet for clean business.

George Lucas and Wife Donate \$25 Million to Chicago School

Marin filmmaker George Lucas and his wife Mellody Hobson are donating \$25 million to a prestigious private school on Chicago's South Side.

Nelson Wins Inavero's 2014 Best of Staffing Awards for Client and Candidate Satisfaction

Nelson announced today it has been named as one of Inavero's 2014 Best of Staffing Award winners on both the Client side and the Talent side.

Read more online at www.northbayleadership.org/news



Who We Are

Over twenty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 44 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call

707.283.0028 / E-mail info@northbayleadership.org

www.northbayleadership.org