

POLICY WATCH – April 2013

In this Issue

- Economic Insight Conference, 5/30/13 – “Ready to Work: Solving the Skills Mismatch and Talent Shortage”
- Public Pensions’ Liabilities to Get More Transparent
- CEQA Reform: Going the Way of Pension Reform?
- Regional Planning: Draft Plan Bay Area Draws Heat Today for Tomorrow’s Projections
- America’s “Weirdness” Has Skewed Decades of Research on Human Behavior
- Members in the News



Done any hiring lately? What did you think of the candidates? Employers are reporting two significant problems with filling positions. One is the skills mismatch they find between what the job requires and the skills that the candidates have. Employers expect new graduates to be ready to work but are disappointed to find that is not the case. The other is many employers are having trouble finding qualified people to fill key positions in their organizations, generally those positions that demand highly technical skills such as engineering, biotech, and other specialized skills like welding.

On May 30, NBLC will present a conference on what employers are experiencing and what can be done to better prepare students to be ready to work from the first day of employment. Don't miss hearing the latest research, learning what our local institutions of higher education are doing and how all of us have a role to play in creating the workforce needed in the North Bay. Tickets are going quickly and usually sell-out, so get your ticket today!

Best,

A handwritten signature in cursive script that reads "Cynthia Murray". The ink is dark and the signature is fluid and legible.

Cynthia

Economic Insight Conference: Get Your Ticket Today!



2013 ECONOMIC INSIGHT CONFERENCE

Ready to Work: Solving the Skills Mismatch & Talent Shortage

Employers are seeing a skills mismatch between job candidates and job requirements, and a growing talent shortage for key positions. Find out what can be done to prepare students to be ready to work from the first day of employment.

Panel One:

Moderator: Craig Nelson; *CEO, Nelson Family of Companies*
Deborah Yount; *Senior Director-HR, Medtronic, Inc.*
Clare Shanahan; *AVP-Talent Acquisition, Fireman's Fund*
Jon Pittman; *VP-Corporate Strategy, Autodesk, Inc.*
Debra Miller; *VP-Human Resources, St. Joseph Health*

Panel Two:

Moderator: Cynthia Murray; *CEO, North Bay Leadership Council*
Robert Eyley; *Associate Professor & Department Chair, Sonoma State University*
Nanda Schorske; *Dean of Workforce Development & College-Community Partnerships, College of Marin*
Jerald Miller; *Dean, Business & Professional Studies, Santa Rosa Junior College*
Mojgan Behmand; *Associate Professor & Director of General Ed. & First Year Experience, Dominican University*
Stephen Jackson; *Director, Sonoma County Office of Education*

May 30, 2013

Sheraton Hotel, Petaluma

7:00 a.m. Registration

7:30 a.m.—10:00 a.m. Program

\$45 Per Person, \$360 Table of 8

Pre-Registration Required

REGISTER ONLINE

www.northbayleadership.org

Deadline for Reservations: May 23, 2013

Space is Limited—Buy Your Ticket Today!

Keynote Speaker:

Steven Aronowitz

Associate Principal, McKinsey & Co.



Steven Aronowitz is an Associate Principal in McKinsey & Company's San Francisco office. He serves clients in the public, social, and consumer sectors with a focus on strategy and transformational change. Aronowitz will share insights, new research, compelling reasons for transformational change and recommendations on how to achieve a workforce that is "Ready to Work."

McKinsey & Company, a global management consulting company, researches the future of the U.S. workforce, especially the need to connect education to employment. Mr. Aronowitz will share how employers and educators should work together to create a workforce that gives the North Bay a competitive edge.

Thank You to Our Sponsors



Public Pensions' Liabilities to Get More Transparent



In “New Measure of Economy Will Include Focus on Government Pensions,” by Kevin G. Hall, (Sacramento Bee, April 24, 2013), the author details how a new government accounting method that is going into effect in July will change the way government measures economic growth. Hall says, “Sometime in July, the Bureau of Economic Analysis will revise the way it measures the nation’s gross domestic product for only the 14th time. The GDP is the sum of all goods and services produced in the U.S. economy, and the coming changes will measure differently not just pensions but everything from R&D to R&B.”

Hall continues, “The Bureau will adopt a form of accounting that’ll measure pension plans using the present-day value of future benefits promised by an employer. This change, called accrual-based accounting, likely will spotlight the unfunded promises in government pension plans.” He explains, “The accounting shift won’t change the overall GDP numbers. But it should help spotlight, through reported data that breaks down to the regional level, how state and local governments have made promises without setting aside adequate funds.”

As reported here before, many private companies already provide present-value data on pensions to federal regulators, but up until this change, state and local governments did not. Says Hall, “During the 1980s and 1990s, strong stock market returns helped give the appearance that pensions were a source of income rather than a cost to sponsors of pensions, whether private-sector or government pension plans. Since 2000, two recessions and a deep financial crisis have hit investment plans hard, and it’s why accrual accounting is now being touted as truer measure of employer costs.”

Alarmingly, Hall discloses, “The nonpartisan Congressional Budget Office in May 2011 found that underfunding of public pensions was rampant. ‘By any measure, nearly all state and local pension plans are underfunded, which means that the value of the plans’ assets is less that their accrued (promises) . . . for current workers and retirees,’ the CBO said. The changes were agreed to as part of an international agreement to modernize how GDP is measured across the globe. Australia and Canada already have adopted the new measurements. The European Union is scheduled to do so next year.”

Beyond measuring pensions on an accrual basis, R & D spending is also being measured in a new way. Instead of R & D being treated as an input that gets added into the final cost of producing a good or service, it will now be treated as “a fixed investment that counts as a consumption of fixed capital, just as a purchase of machinery that yields more economic activity might be counted. Federal government R&D also will be counted as investment because the results further government’s role of providing services to citizens.”

Hall says, “There’ll also be a new effort to measure the economic contributions from spending on films and other forms of entertainment. ‘You’d think given that we’re the nation of Hollywood that it has been measured before,” said Landefeld. “I guess it just seemed kind of hard. It seemed a little bit out there in terms of measuring. But over time, you look at it in terms of how much it contributes to our exports. We have a very healthy surplus in that category.” Thank you, George Lucas!



<http://johnmichaelboling.com>

CEQA Reform: Going the Way of Pension Reform?



State Senate President Pro Tem Darrell Steinberg introduced his California Environmental Quality Act (CEQA) reform bill ([SB 731](#)) last week. While the Pro Tem is keeping his promise to take up much-needed CEQA reform, this bill doesn't address the problem in all of the meaningful ways required. However, it is a starting point, and like last year's pension reform, it is better than no action. NBLC will continue to make serious reform of CEQA a priority and keep it at the top of our legislative agenda when we do our Annual Legislative Advocacy Day in Sacramento in May. And we will continue to work with the statewide coalition of business, economic development and community groups known as the CEQA Working Group to win substantive reforms this year.

Regional Planning: Draft Plan Bay Area Draws Heat Today for Tomorrow's Projections

The draft Plan Bay Area and its accompanying Environmental Impact Report are the subject of hearings being held around the Bay Area. The purpose of the plan is to look at how best to prepare the region for job growth, demand for new housing and needed transportation improvements over the next 25 years. The Plan Bay Area has been in the works for three years, the product of collaboration between the Association of Bay Area governments and The Metropolitan Transportation Commission, with assists from the Air Quality Control Board and the Bay Area Conservation and Development Commission. It is now in the final stretch of adoption as it goes before the regional agencies for final approval in July.

NBLC, as part of a coalition of business groups from around the region, has been working closely with the Association of Bay Area Governments and the Metropolitan Transportation Commission throughout the development of the plan to ensure it makes economic vitality one of its top priorities. The plan has drawn fire from many that the jobs and housing projections are not realistic, but our research shows that the current draft projects too little housing growth. We feel that the region's future job and economic health demand more housing. The lack of housing, especially workforce housing, is a deterrent to both business and talent attraction and retention, and puts the region at a competitive disadvantage to other regions.

Our support for additional jobs and housing is not necessarily tied to the land use and transportation assumptions in the draft Environmental Impact Report as we think there is an opportunity to do some "mixing and matching."



The plan is required under SB 375, legislation that seeks to cut carbon and other greenhouse gas emissions by better integrating housing and transportation and reducing the miles that commuters travel by automobile. The period for making comments on the draft plan closes May 16.

America's "Weirdness" Has Skewed Decades of Research on Human Behavior



In one of the most interesting articles I have read recently, "We Aren't the World," by Ethan Watters (Pacific Standard, February 25, 2013), it reveals the results of an amazing new research paper that discovered that Americans have been used as research subjects for decades without the understanding that Americans' behavior is different and unlike the behavior of much of the rest of the world's people. This has skewed the results of the research to be inaccurate for the majority of the world and led to some very misguided and wrong thinking on human behavior.

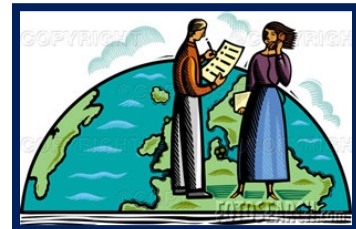
Three researchers, Joe Henrich, Steve Heine and Ara Norenzayan have compiled their ground-breaking research in a paper entitled "The Weirdest People in the World?" ([pdf](#)) Say Watters, "By "weird" they meant unusual and Western, Educated, Industrialized, Rich, and Democratic. It is not just our Western habits and cultural preferences that are different from the rest of the world, it appears. The very way we think about ourselves and others—and even the way we perceive reality—makes us distinct from other humans on the planet, not to mention from the vast majority of our ancestors. Among Westerners, the data showed that Americans were often the most unusual, leading the researchers to conclude that "American participants are exceptional even within the unusual population of Westerners—outliers among outliers. Given the data, they concluded that social scientists could not possibly have picked a worse population from which to draw broad generalizations. Researchers had been doing the equivalent of studying penguins while believing that they were learning insights applicable to all birds."

The three men hoped their research "would fundamentally challenge the way social scientists thought about human behavior, cognition, and culture." Watters says, "The growing body of cross-cultural research that the three researchers were compiling suggested that the mind's capacity to mold itself to cultural and environmental settings was far greater than had been assumed. The most interesting thing about cultures may not be in the observable things they do—the rituals, eating preferences, codes of behavior, and the like—but in the way they mold our most fundamental conscious and unconscious thinking and perception."

If you read the full article (here's the link:

<http://www.psmag.com/magazines/pacific-standard-cover-story/joe-henrich-weird-ultimatum-game-shaking-up-psychology-economics-53135/>), it describes various ways that Americans and other cultures

perceive the world. It is very illuminating and underlines the need for Americans to broaden their understanding of other cultures and ways of thinking if they are to be successful in working in the global economy.



Members in the News

Autodesk Celebrates 'National Robotics Week'

Autodesk hosted "Design Night: Robots!" on Thursday to celebrate National Robotics Week, which this year features more than 125 robotics-based events, demonstrations and workshops in 50 states aimed at inspiring innovators in science, technology, engineering and math.

Basin Street Properties Continues to Add Tenants to Petaluma Properties

Sonoma County's Largest Landlord Signs Tenant Expansion, Adds Diverse Mix of Businesses to Sought-After Properties in the Area.

Medtronic, Inc. Gets Affinity Fusion Oxygenation System Approved by FDA

Medtronic, Inc. (NYSE: MDT) announced U.S. Food and Drug Administration 510(k) clearance and the first U.S. clinical uses of its new Affinity Fusion oxygenation system.

Sonoma Raceway is Hosting Two Motorcycle Events to Benefit Speedway Children's Charities

Motorcycle riders can enjoy a high-speed day on the twists and turns of Sonoma Raceway or a scenic ride through Wine Country all in the name of charity, May 1 and May 3.

George Lucas and Other Entertainment Companies Have Made the U.S. Economy 3 Percent Bigger Than We Thought

Huzzah! America's economy is around \$400 billion bigger than you thought it was.

Kaiser Permanente is Seen as the Face of Future Health Care

When people talk about the future of health care, Kaiser Permanente is often the model they have in mind.

Redwood Credit Union Plants Trees for Sustainability

RCU Volunteers Assist Laguna de Santa Rosa Foundation to Restore Local Oak Woodlands Ecosystem.

Basin Street Properties, Sonoma County's Largest Landlord, Adds Four New Tenants to Waterfall Towers in Santa Rosa

Wedbush Securities, Salmon-Felte Insurance and Financial Services, TeamLogic IT and Pinnacle Abrasives Join Existing Tenants.

Sonoma Raceway to Host 13th Annual High Speed Blood Drive, April 29

Community members and race fans alike can enjoy the ride of a lifetime and help save lives during the 13th annual High Speed Blood Drive at Sonoma Raceway on Monday, April 29.

PG&E Pays \$293 Million to California Cities and Counties

Utility Pays Franchise Fees and Property Taxes to 49 Counties and 243 Cities in Its Service Area.

PG&E Named One of America's Best Corporate Citizens

Utility Ranks 37th among United States Companies in "100 Best Corporate Citizens" List Published by CR Magazine.

PG&E Announces Enhanced Green Energy Program to Give Electric Customers More Renewable Options

PG&E Reaches Agreement With Consumer, Labor and Other Groups on Community Solar Alternative.

Buck Institute for Research on Aging Opens Learning Center and Introduces Scientists as Artists April 20, 2013

The Buck Institute for Research on Aging will have its grand opening of the Buck Institute Learning Center on April 20, 2013.

Sunny Hills Services' Gang Prevention Program Receives Petaluma Community Foundation Grant

Sunny Hills Services' Community Engagement and Youth Development (CEYD) program was recently awarded an \$8,000 grant from the Petaluma Community Foundation in recognition of their work toward improving the lives of youth in the community.

Redwood Credit Union Names New Windsor Branch Manager

Dawn Leandro to Oversee Windsor Branch Operations & Community Relations.

Securitas Spot April 2013

National Weather Service's research on floods shows some alarming facts. In the last 30 years the average number of fatalities due to flood in the USA is 95 annually.

North Bay Leadership Council Involved in Grants That Will Support 'Cradle to Career' Workforce Development Strategy

State-funded nonprofit First 5 Sonoma County granted \$1.38 million to an early childhood and parent education "campus" at Santa Rosa's Lawrence Cook Middle School, part of \$5.13 million in one-time grants to support what educators and employers call the "cradle to career" approach to workforce development.

Kaiser Permanente is The Face of Future Health Care

When people talk about the future of health care, Kaiser Permanente is often the model they have in mind.

Congratulations to Our Members That Won North Bay Business Journals 2013 Forty Under 40

The Business Journal has released the names of the winners of its seventh-annual Forty Under 40 awards.

Autodesk Acquires Firehole Composites

Autodesk Inc. today said it completed the acquisition of a Wyoming-based developer of software for design and analysis of composite materials.

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