

POLICY WATCH – July 2017

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As we watch events unfold in Washington, D.C., we can take solace that things are much better here in California. We have been spared a drought this summer. Our legislature is able to pass bills. We see innovation all around us as communities come together to solve problems and improve well-being. NBLC knows firsthand about the quality of the leaders in the North Bay. We are reviewing the nominations for this year's Leaders and in awe of the wonderful people and organizations in our midst. Choosing from the amazing nominees gets harder every year!

We hope that you are finding time to feed your soul and follow your passions. Summer is a good time to reflect on whether you are working to live or living to work. Go recharge your batteries and fuel your optimism. Enjoy reading about people taking action and changing the world in this issue. And then, be the change you wish to see!

Best,

A handwritten signature in cursive script that reads "Cynthia Murray".

Cynthia

Business Interest is in the Public Interest: DisruptDC's Case for Better Government



In these remarkable times with our federal government, I found Lenny Mendonca's column announcing a new initiative to be exciting and perfectly timed to fill a leadership void in Washington, D.C. Let's make DisruptDC a big movement in the North Bay!

[Business Interest in the Public Interest: DisruptDC's Case for Better Government \(Link\)](#)

By Lenny Mendonca, Co-Chair, CA Fwd Leadership Council

Most people — especially those who read this blog — are already aware of the political gridlock and dysfunction in Washington, D.C. Watching Democrats and Republican spend their time arguing with each

other and posturing for the camera is frustrating for most of us—and is no substitute for what most of us want—meaningful progress on the issues that matter to this country.

What is not always so obvious is the negative effect this dysfunction is having on the economy and the business sector. Last year, a Harvard Business School report from Michael Porter concluded that our broken political system is the #1 drag on US economic competitiveness. This paralysis is at the root of countless other issues — and these times require the courage to take meaningful action.

CA Fwd, which I co-chair, has been a key player in helping identify and implement reforms that have transformed California from dysfunctional to a leader in trans-partisan governance reform. From citizens' redistricting to open primaries, California has transformed the way it's governed itself in the last decade. (The job is not finished, by the way.) What California and other states are learning and implementing can help reform advocates across the country and help fix the mess in D.C.

That's why I'm excited to be part of a new organization called DisruptDC, the country's only business coalition focused exclusively on improving our government and elections.

Right now, our country needs to bridge our political divides and deliver real results no matter who is in charge. DisruptDC stands for upgrading our political system from end to end: more competitive elections, a more results-focused policymaking process, and a more efficient and responsive government to implement our laws. This is not about bigger or smaller government, it's about government that works for the people it's designed to serve.

It's not that we lack for solutions (see this [CAFWD report](#) for example)— it's that we need the political will. Bringing business to the table as public advocates, not business lobbyists, will help generate the sustained pressure we need to get results across the country. In fact, needed reform won't occur if the voice of business is not heard.

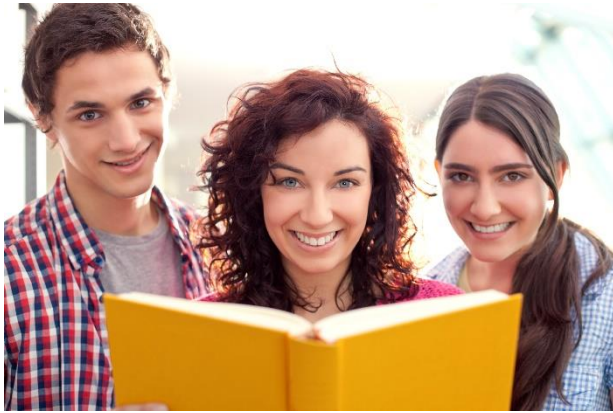
Fixing American government is not a linear process, but rather a portfolio of priorities that we will advance wherever we find the opportunity. Open primaries, nonpartisan redistricting, better technology, increased transparency, and anti-corruption reform may sound modest individually, but collectively they will be transformative. DisruptDC will push these and other reforms and work to hold our representatives accountable for operating in the public interest, not any narrow interest. This means bringing integrity, accountability, and effectiveness to everything government does.

I'm looking forward to collaborating with the DisruptDC team to attack this issue. The founders are entrepreneurs based in the Bay Area, while their CEO, Charlie Kolb, is located in Washington, D.C. I've known him for 20 years when he led the Committee for Economic Development (the group that helped develop and lead the Marshall Plan's passage after WWII), a business-led think tank, and now part of the Conference Board.

The credentials of this group are unassailable. The need for this group is undeniable.

Washington, D.C. needs the same kind of positive disruption and innovation that is happening across the country including here in California. This is an important new citizen-driven initiative and I'm proud to be part of it. Please join me in helping DisruptDC. <http://disruptdc.org/>

New Programs to Help Close the Skills Gap and Increase Post-Secondary Educational Opportunities



North Bay employers are growing increasingly concerned about the number of job openings they have and the skills mismatches they see in the applicants. A new Community College program wants to help close that skills gap. In a press release from California Community Colleges chancellor, Eloy Ortiz Oakley, entitled [California Community Colleges Launch New Campaign Focused on Career Education Program Offerings](#), it is reported that a new campaign aimed at prospective students, both high school students and adults who want to gain new skills, as well as parents, counselors,

employers, and other stakeholders to promote the benefits of California Community Colleges Career Education as an affordable, accessible pathway to a rewarding career has been launched.

"Today the California Community Colleges launched an important effort to let all Californians know about the robust Career Education programs we offer," said Oakley. "Our Career Education programs are the smartest, most affordable and accessible way for Californians to acquire the hands-on, high-quality skills they need to enter exciting, new and good-paying career fields - and to pursue the California Dream. Our system is one of inclusion and opportunity, and we'd like everyone to know about all we have to offer."

Although California is experiencing impressive economic growth, there is a widening gap between what employers need to continue that growth and what the state's labor pool currently offers. The California Community Colleges launched this campaign because Career Education programs and apprenticeships provide important pathways for adults to boost their skills and for high school students to learn new skills for rewarding careers.

The California Community Colleges offer more than 200 Career Education programs in fields such as advanced manufacturing, information and communication technologies/digital media, health, global trade and logistics, life sciences/biotech, agriculture, water/environment technologies and many more.

With 114 campuses across the state serving 2.1 million students per year, the California Community Colleges is the largest provider of workforce training in the nation. Career Education programs are developed in partnership with local industries and taught by instructors with direct work experience.

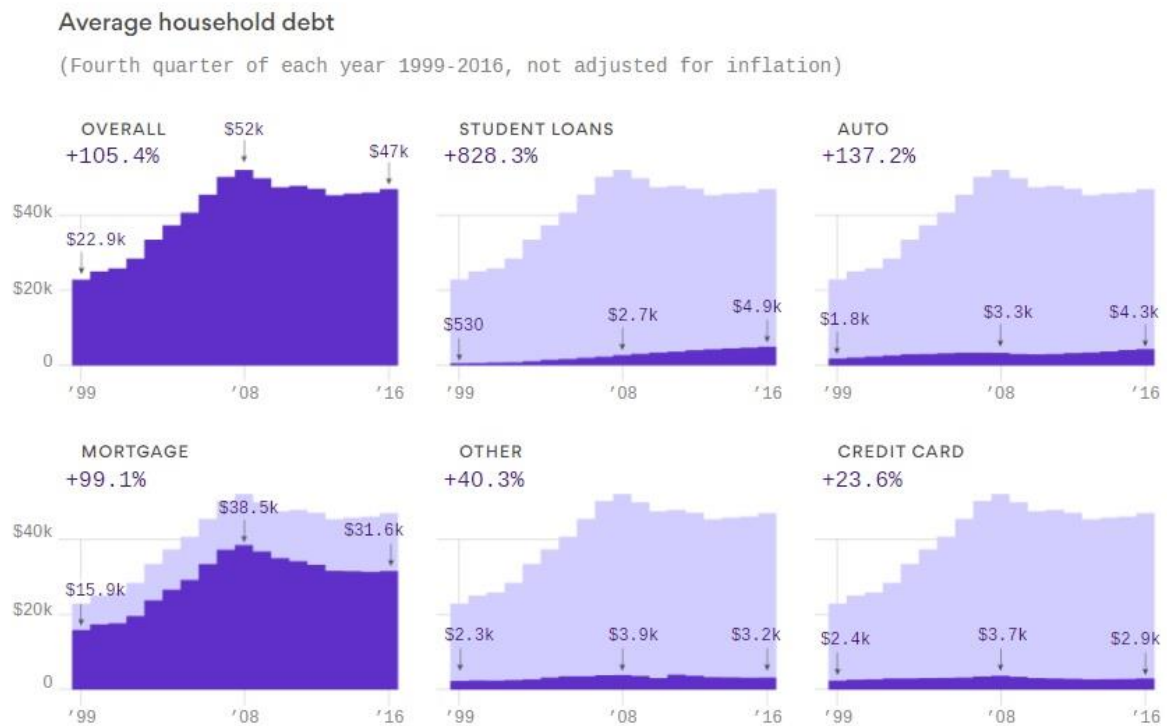
The promotional campaign is an output of the Strong Workforce Program, a \$200 million recurring investment made by Governor Jerry Brown and the California Legislature to create one million more middle-skilled workers, thereby producing a job-ready workforce for employers and enabling social mobility for more Californians.

This new CTE program focus is very welcomed in the North Bay, where CTE has been robust and well supported by the educational and business community.

If the Millennials Can't Buy a House, It's Your Problem, Too!

Another aspect of the skills mismatch concerns economic growth. Since more jobs require higher skill sets which are gained through post-secondary education, more people are incurring student debt. In [Why Millennials Won't Be Buying Your House](#), author Chris Bryant ([Link](#)), says, "Mounting student debt in the U.K., U.S. and elsewhere, might hold young people back from buying houses and saving for retirement. That would endanger economic growth and asset prices, with the effects made worse by shifting demographics. This should worry everybody."

According to an Axios blog post ([Link](#)), "Student loan debt has surpassed credit card debt as the second largest type of debt in American households. From 1999 to 2016, credit card debt grew a meager 23.6 percent compared to student loan debt, which jumped by 828 percent. It's the only category that hasn't seen a decline since 1999, reflecting an increasing amount of borrowing for tuition as well as an increasing amount of overall borrowers. Even after adjusting for inflation, the growth of student loan debt is astronomical."



Data: Federal Reserve Bank of New York's Center for Microeconomic Data; Chart: Lazaro Gamio / Axios

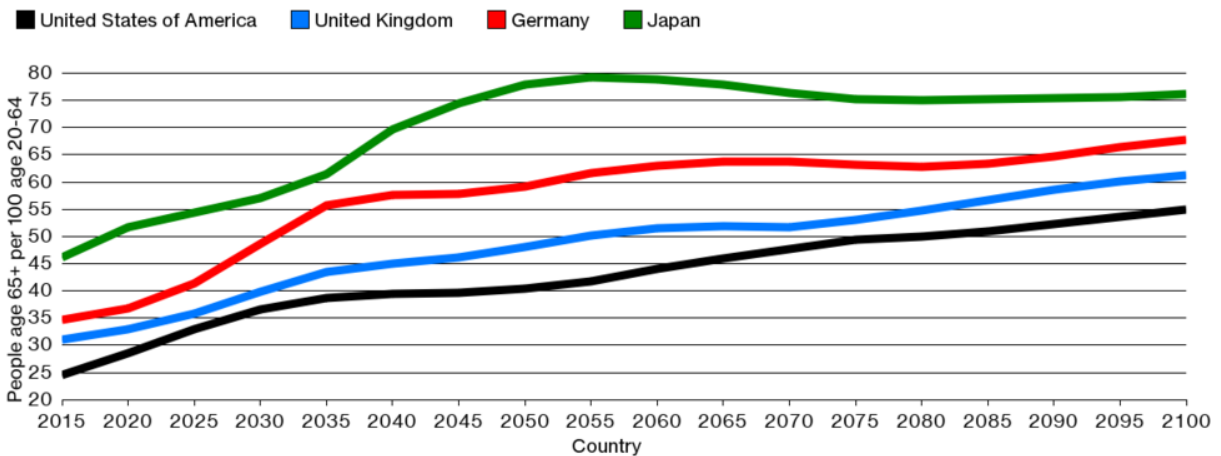
Bryant says, "This is all a worry economically because buying houses leads to more consumption -- fixing the place up, buying furniture, etc. -- so student debt may be depressing potential growth. Owning property, or other financial assets, is also an important way to build up wealth. But young people are holding more of what little money they have in cash."

"Parents who use retirement savings to help their kids go to university or buy a house know this problem touches everyone," says Bryant. "Indeed, the negative effects of this generational divide will probably weigh even more on older people as they become a bigger share of the population."

Bryant says, “Many baby boomers hope to trade down to a smaller house one day and will have to sell financial assets to fund their retirement. But they'll need buyers: i.e. millennials. If younger people are still burdened by debt and their earnings haven't risen much either, that might be difficult. Or prices may have to fall. An increase in the ratio of retirees to workers in developed countries is expected to put downward pressure on asset prices and financial returns in coming years. “

The Burdens of Age

Younger workers will have to support a larger cohort of older people. Will they be able to afford to buy their assets?



Source: United Nations (medium scenario)

In closing, Bryant cautions, “Given these headwinds, it doesn't seem sensible to load student debt onto the people we want to drive other kinds of consumption and sustain the housing market. Changing things will demand tough political choices. But while the debate is often framed as millennials versus the boomers, this is a dilemma for all the ages.”

This article is a good illustration of the dilemma students and workers who seek to upgrade their skills face. To be employable requires more education, which means taking on debt, which limits the workforce’s ability to be economically competitive and contribute to the economy at the level they were once capable of doing. Getting a handle on tuition costs is a growing challenge for all of us.

Ten Year Cap and Trade Extension Good for the North Bay

The state legislature approved a 10-year extension for California's cap-and-trade program. The Los Angeles Times reported that the vote came with bipartisan support, a significant shift from previous years where climate policies squeaked by along party lines or with only a handful of Republicans in favor.

Cap and trade requires companies to buy permits to release greenhouse gas emissions. The legislation, Assembly Bill 398, will continue the program until 2030.

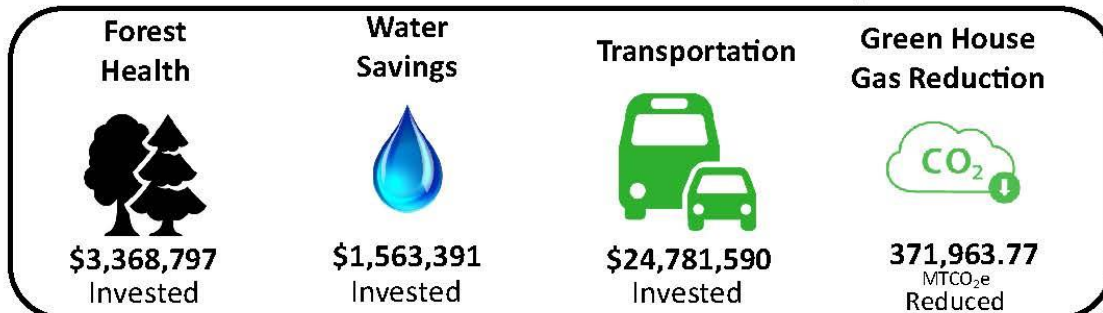
You may wonder how the North Bay benefits from the Cap and Trade program in the state of California. This chart gives you an idea of how much we have gained and why extending the program will continue to bring in much needed funding to our region:

Cap & Trade Dollars at Work

\$30,707,828

Cap and Trade funds allocated from 2013-2017 in the North Bay¹

North Bay Leadership Council



Cap and Trade fund distribution:

Program Name	Total Dollars Invested	GHG Reduction (MTCO ₂ e)	Number of Projects
Forest Health			
Forest Pest Control	\$518,797	12,213	1
Forest Conservation Project	\$2,850,000	75,803	1
Water Savings			
Statewide Water Efficiency Enhancement Program	\$75,954	23	2
Water-Energy Grant Program	\$1,487,437	627	318
Transportation			
Clean Vehicle Rebate Project ²	\$8,441,038	167,822	3,696
Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project	\$422,966	1,191	15
Low Carbon Transit Operations Program	\$4,917,586	28,728.77	18
SMART Rail Car Capacity Project	\$11,000,000	82,630	1
Other Climate Investments			
Sustainable Agricultural Lands Conservation	\$994,050	2,926	2
Grand Total	\$30,707,828	371,963.77	4,054

¹This information was compiled by the Silicon Valley Leadership Group using publicly available data. All totals as of July 6, 2017.

Sonoma State University Will Host The Academy of Wine Business Research Conference July 26 – 27

Industry Luminaries and International Scholars Convened at SSU for 10th Annual Conference

Kaiser Permanente Honored With 17 Environmental Excellence Awards

In recognition of its groundbreaking achievement and innovation in health care sustainability, Kaiser Permanente, the nation's largest integrated health system, has garnered 17 Practice Greenhealth Environmental Excellence Awards, including the designation of the Vacaville Medical Center as one of the top 25 hospitals in the country for environmental excellence.

BioMarin's 20th Anniversary

2017 marks BioMarin's 20th anniversary.

Sonoma Raceway NASCAR Weekend in Sonoma Raises Record \$271,000 for Sonoma County Youth Groups

Charitable programs combined to raise record amounts for local youth groups during the Toyota/Save Mart 350 Monster Energy NASCAR Cup Series weekend at Sonoma Raceway, June 23-25.

Kaiser Permanente's New Residency Program = More Physicians

Kaiser Permanente is furthering its mission to improve community health by increasing residency programs for primary care physicians—including one at Santa Rosa Medical Center!

Kaiser Permanente Makes the Marin County Fair Healthy and Fun-for-All

A Fun, Green, Healthy, Happy, and Award-Winning Event

Kaiser Permanente, Sutter Health, St. Joseph Health and the John Jordan Foundation Work together to create 'On the Verge'

On the Verge is an intensive year-long leadership program that focuses on emerging leaders' personal, interpersonal, and professional skills. Participants receive group and individual coaching, attend monthly meetings that put developing skills into practice, and culminate the program with a community-based project.

Read more online at www.northbayleadership.org/news



Who We Are

Over twenty five 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 54 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