

## POLICY WATCH – December 2019

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Happy Holidays! All of us at NBLC wish you a bright holiday season and a healthy and happy New Year. Rainer Maria Rilke said, “Now let us welcome the new year, full of things that have never been.” A new year and a new decade offer new opportunities and problems to be solved. In this issue we look at some of the issues we will need to confront in the 2020s and share some predictions of what to expect. And we share how our efforts to achieve our goals on housing, transportation and climate change are missing the mark.

We appreciate your support of this newsletter and look forward to bringing you information and ideas in 2020. Let us welcome the new year by working together to make a positive difference in the North Bay!

Best,

Cynthia

### New Decade: New Issues, New Opportunities

What will the decade of the 2020s bring? If only we had 20/20 foresight to see what’s coming! As we enter this new decade, we can expect that there will be surprises along the way, new shocks to the system, both locally and globally, and new innovations that will make our lives better and perhaps, less private.

A recent poll by the San Francisco Foundation ([Link](#)) found “a growing percentage of Bay Area residents are worried about the future of the region, citing housing and traffic woes among their main concerns. In a five-county poll, 67% of respondents said they are ‘unhappy or worried about changes happening in the Bay Area,’ up 10% from 2016. And 53% said they felt things in the region ‘have gotten pretty seriously off on the wrong track,’ up from 45% three years ago.”

“Respondents ranked traffic, the cost of living, housing costs and homelessness as the four worst things about living in the Bay Area. Making housing more affordable was at the top of their list of concerns, with 79% ranking it as a priority.”

“The majority of residents also expressed concern about diversity in the Bay Area — 65% of respondents said protecting the racial and cultural diversity of the region’s neighborhoods is a priority. And 77% of respondents agreed with this statement: ‘There should be affordable places to live for all people whether white, black or brown in my neighborhood.’”

“Fewer than half of respondents said they are excited about the Bay Area’s future — 46%, down from 54% three years ago. And more than half of people polled said they are worried about finding an affordable place to live.”

“The poll highlights the downsides of living in one of the country’s most beautiful and sought-after locales and the threat the festering issues of housing affordability, homelessness and traffic congestion pose to the region’s future.”

Given those poll results, what can we expect in the next decade in the Bay Area, and the North Bay, in particular. We are living in a time of rapid change which exacerbates the uncertainty of our times. It is also a time where situations can break for either good or bad. Will we solve our housing and transportation problems or lose our region’s being a magnet for innovation? Will Artificial Intelligence be a lifesaver or the end of humanity? Will the economy continue to grow or slow down due to global forces?

Others are asking big questions. Here are some from Popular Mechanics ([Link](#)):

### **Will the 2020s Be a Decade of Cures?**

“Earlier this year, the FDA announced that the first approval of the first vaccine designed to mitigate the spread of dengue fever in endemic regions. In August, researchers announced two treatments—an experimental vaccine and a drug called Zmapp—have shown promise in combating against the spread of ebola. Recently developed treatments for HIV have made the virus all but disappear, living virtually undetectable in the body. The Bill and Melinda Gates Foundation is pouring money into curing polio—there were less than 40 cases worldwide in 2016—and malaria, the world’s deadliest disease. Researchers are slowly beginning to untangle the ins and outs of neurodegenerative disorders like Alzheimer’s and Parkinson’s. The race to cure the world’s most prolific diseases has been a long, hard-fought battle, but, somehow, it feels like may be inching closer to curing them.”

### **Will the U.S. Finally Focus on Infrastructure?**

“It’s no secret that U.S. infrastructure is crumbling, and when you consider the growing threat of climate change, things start to look downright apocalyptic. Another administration has come—and will likely go—without addressing this hugely important issue. The U.S. used to be the envy of the world in terms of infrastructure (in fact, it helped [save U.S. democracy](#)), can the country reclaim the crown in the 2020s?”

### **Will the World Finally Get Serious About the Climate Crisis?**

“Are we going to sink or swim? The climate crisis has spawned a generation of people gravely concerned with what the future will look like if we don’t take action now to create sustainable living conditions using things like renewable resources. It’s surprising how debated global warming has become considering the fact that it’s [backed by hard scientific evidence](#). We’re hoping the 2020s will be the decade of innovating and creating a better, more sustainable future.”

### **Are We Headed for a UFO Revolution?**

“There’s never been a better time than now to pursue the truth about unidentified flying objects (or unidentified aerial phenomena, depending on your parlance). In 2019 alone, the U.S. Navy confirmed

those [infamous UFO videos were real](#), the U.S. Army teamed up with a rock star's UFO research group to investigate mysterious technology, and the [Pentagon briefed President Trump](#) and several senators about UFO sightings. With a growing government interest in all things unexplained, we could be on the brink of a [ufological renaissance](#)."

### **Will James Dean Be the Biggest Movie Star of the Next Decade?**

"Earlier this month, producers announced that [James Dean will star in a new movie](#) about the Vietnam War, set to hit theaters on Veteran's Day 2020. The catch, of course, is that Dean died in a car crash 64 years ago at age 24. No matter: Thanks to the wonders of CGI, the long-dead heartthrob will live again on the big screen, setting a creepy precedent for reanimating old movie stars because we can't find new ones anymore. Stay tuned for Charlie Chaplin's eight-episode Netflix sitcom."

Others are predicting big things for the 2020s Decade. In Industry Week, [\(Link\)](#) they see new ways technology will be integrated into the workplace.

### **Second Chance for Skilled Trades**

"American manufacturing jobs today, about 12.8 million according to January BLS data, are higher than at the end of the Great Recession (12.5 million in Jan. 2009), a time when GM and Chrysler needed government bailouts to stay in business. Now we are worried that in the next 10 years there won't be enough skilled workers to make what we need. But they won't be making the same amount of the same things. As electrified vehicles increase in popularity, the materials will become more lightweight and techniques more additive than subtractive. Deloitte predicts a major shakeup, with the internal combustion component volume dropping by 36% and electric drivetrain and battery tech increasing 15-fold. What this really means is that now is the time for traditional machinists to add new skills such as running 3D printers or become experts at making more costly exotic aerospace parts. Prepared manufacturers should already be investing in this continuous education or assisting local vocational school and colleges in identifying soon-to-be-in-demand skills."

### **Augmented Reality: Easiest Way to New Efficiencies**

"Tell a 20-year-old to learn how equipment works by dropping giant paper manuals full of text in front of them and see if they come into work tomorrow. The next generation won't regress to the old ways, so you have to embrace the new, particularly by augmenting the workers' reality wherever possible. The hardware can be as low-tech as a smartphone or tablet or advanced as the HoloLens 2, but you should start identifying potential applications today. There's a reason [MarketWatch forecasted](#) that AR shipments would grow at an astronomical 75% CAGR from 2017 to 2024 and it's not video games. It's because having more information about your task at hand simply makes you a better worker. Why do you think the Terminator had all those numbers and details running in its visual display?"

### **Friday Night Fights: Robotics as a High School Sport?**

"In Bedford High School in Temperance, Mich., [students can letter in robotics](#). A former team won the FIRST Robotics World Championship in 2015, so it would be laughable for anyone, student athlete or otherwise, to question their worthiness if they catch a glimpse at that varsity jacket in the hallway. The difference is these students don't train at gyms, but at local manufacturers, learning to mill and machine parts. And even if they tear an ACL senior year, their chance at a high-paying career in

manufacturing is not diminished in the least. And who knows? Perhaps [Giant Fighting Robot Duels](#), which currently are not economically feasible, will become real sports entertainment by 2030 and they can really rake in the big bucks.”

“[The National Robotics League](#), a National Tooling & Machining Association workforce development program, will have a continuous exhibit to showcase the students and be available to explain how companies can get a leg up on recruiting top talent by mentoring a team.”

### **Industrial Wearables: Growing Your Fashion Sense**

“[MarketWatch projects](#) the industrial wearable segment to grow from \$1.5 in 2017 to 2.6 billion in 2023, a 73% jump, and that may be a conservative estimate. From field service to assembly, the most effective workers of the next decade will be wearing an array of smartglasses, biometric sensors and other devices that connect them to not only work instructions or critical data, but to each other to create the IloP (Industrial Internet of People). For example, a Microsoft HoloLens can dial up a remote expert for a repair job and Google Glass can record assembly procedure videos and then play them back for new trainees.”

Another prediction focused on changes in the work week. LinkedIn published an article, [20 Big Ideas that will change your in world 2020](#) ([Link](#)). One of those ideas that caught my attention was that time was the most sought after perk.

### **The perk professionals will want most is time.**

“Flexible work is no longer an allowance made for a few employees; it is a demand from all. Generation Z and millennial professionals are leading the way in establishing a new relationship with the office, [according to reporting](#) from the New York Times’ [Claire Cain Miller](#) and [Sanam Yar](#). Experiments with a four-day workweek, for instance, are spreading across the world: [Microsoft tried it in Japan](#), while the U.K. Labour Party even [promised it on its election manifesto](#). Private employers in small-scale experiments say the [shorter hours have not hurt results](#) — quite the contrary. ‘Benevolence might pay for employers,’ says [John Pencavel](#), an economics professor at Stanford who has studied working hours and productivity. ‘Shorter hours may not compromise output. Shorter hours may involve lower labor costs. Not only does the employer benefit, the employee can too.’”

“Those who may benefit the most are working mothers, who historically have taken cuts in pay and promotion in exchange for the kind of flexibility that may soon become standard. Among women with advanced degrees who left their jobs, 69% would have stayed if their employers offered more flexible work options, [according to research from Boston Consulting Group](#). The key is to involve employees in finding ways to work more flexibly and efficiently, says [Charlotte Lockhart](#), CEO of advocacy organization The 4 Day Week. Her firm, Perpetual Guardian, [switched its 240 staff in New Zealand to a four-day week](#). ‘We all want to feel valued at work, but it shouldn’t be at the cost of us being able to be whole people,’ Lockhart says. ‘Our lives are broken and we’re beginning to recognize it.’”

And Forrester ([Link](#)) predicted that with more than 55% of consumers considering company values when making a buying decision, that trend will grow.

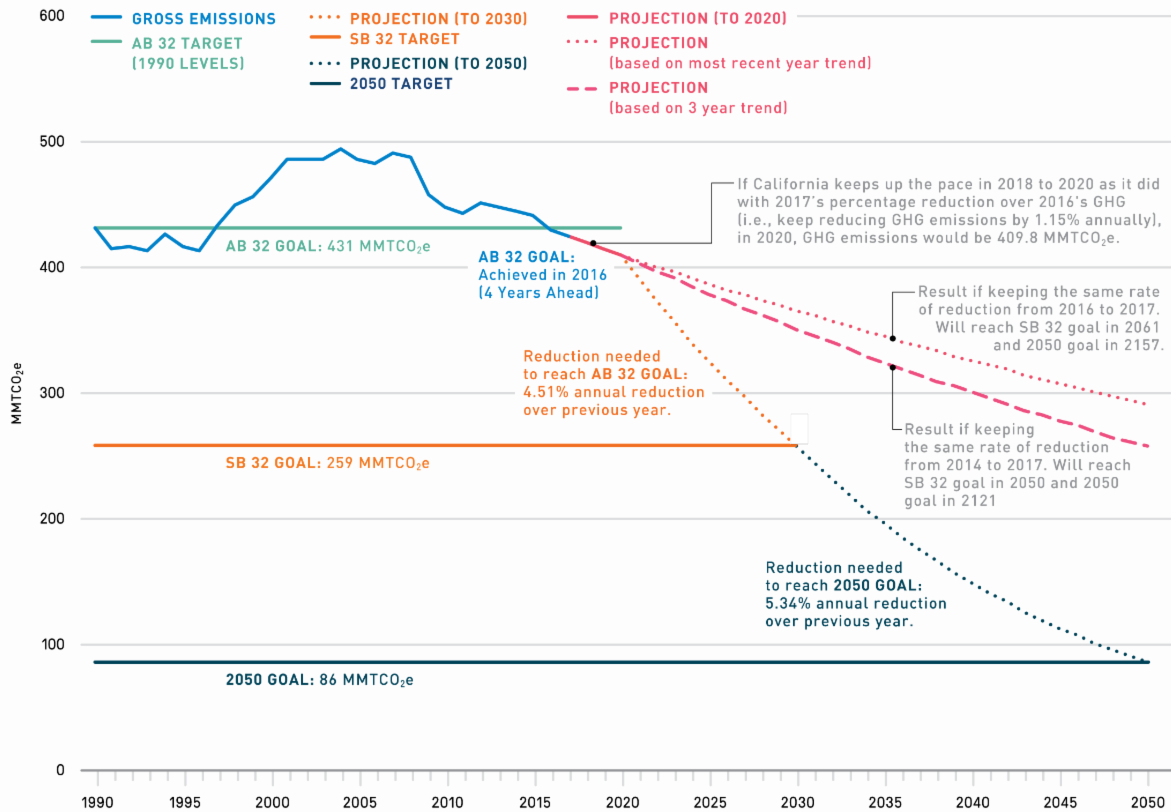
### **Consumers Search for Deeper Meaning**

“Companies have focused on elevating self-centered benefits, like fast shipping, to satisfy customers. How do customers feel about their world of convenience? By some measures, they’re less happy than they were 20 years ago. Human beings are social animals driven to make decisions based on their need for affiliation and the wider impact of their choices. Today’s customers live in tumultuous times. Disinformation campaigns, social isolation, wealth inequality, climate change, and political unrest surround them. As a result, they want to align their purchases with their values. Consumers appreciate experiences that spark delight. They love experiences that spark hope. This is not a new phenomenon but a trend that has slowly climbed from niche to mainstream. In 2017, 52% of consumers said they actively consider company values when making a purchase. That number continues to grow. While lower-income earners may not be able to buy in accordance with their values, the desire for values alignment is steady across income brackets. In 2020, executives will attempt to give customers what they crave. The results will be mixed. Some companies will provoke ire by making surface-level commitments. Others will misjudge how to best express values. Companies that do succeed will co-create values-driven experiences with customers and employees. They’ll pay careful attention to authenticity, both in the values they choose to express and how they express them.”

## 2019 Showed We Are Missing Hitting Our Goals in Key Areas

The charts below are from Next 10 ([Link](#)), “an organization that helps educate and empower Californians and policy stakeholders to work toward a more sustainable future for the state — for the next 10 years, and the next 10 years after that. As Next 10 looks forward to a new decade of change in California and across the country, they thought a look back at 2019 would help shed light on some of the key opportunities and challenges facing the state. In 2019, Next 10 took a deep dive into critical issues facing California including our continued **housing** crisis, threats from increased **wildfire**, trends in **transportation**, and challenges to meeting our **climate goals**.” These charts show we have a lot of work to do to hit our goals!

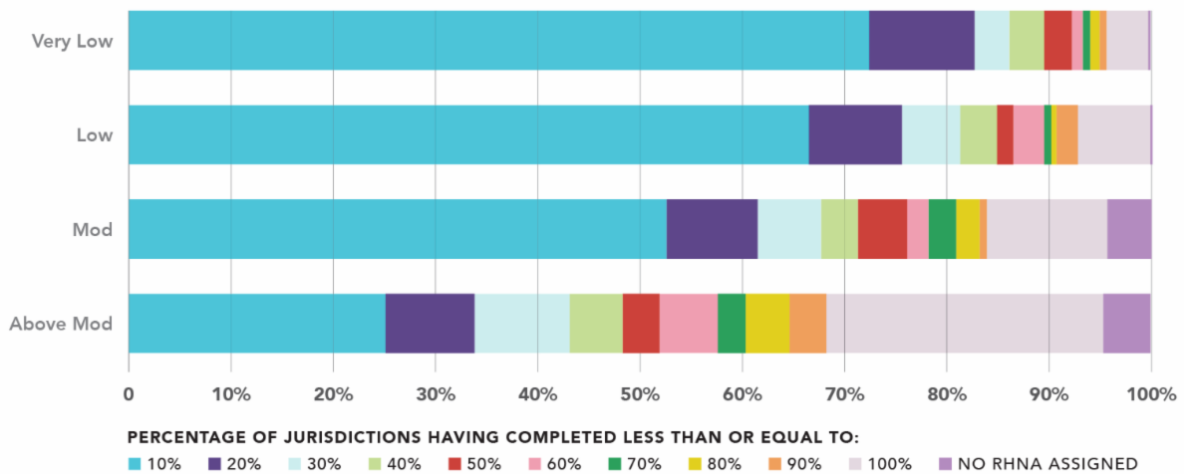
## Study finds state could be decades behind on meeting 2030 climate goal



While we learned last year that the state met its 2020 climate goal four years early, the [2019 California Green Innovation Index](#) found that the state could meet its 2030 goal more than three decades late, given the current pace of greenhouse gas (GHG) emissions reductions. The report found that the state will need to reduce emissions by an average of **4.51%** annually — a three-fold increase from the **1.15%** reduction seen in 2017.

[READ REPORT](#) | [SEE CHARTS](#)

## Study finds state-mandated housing goals are exacerbating housing shortage

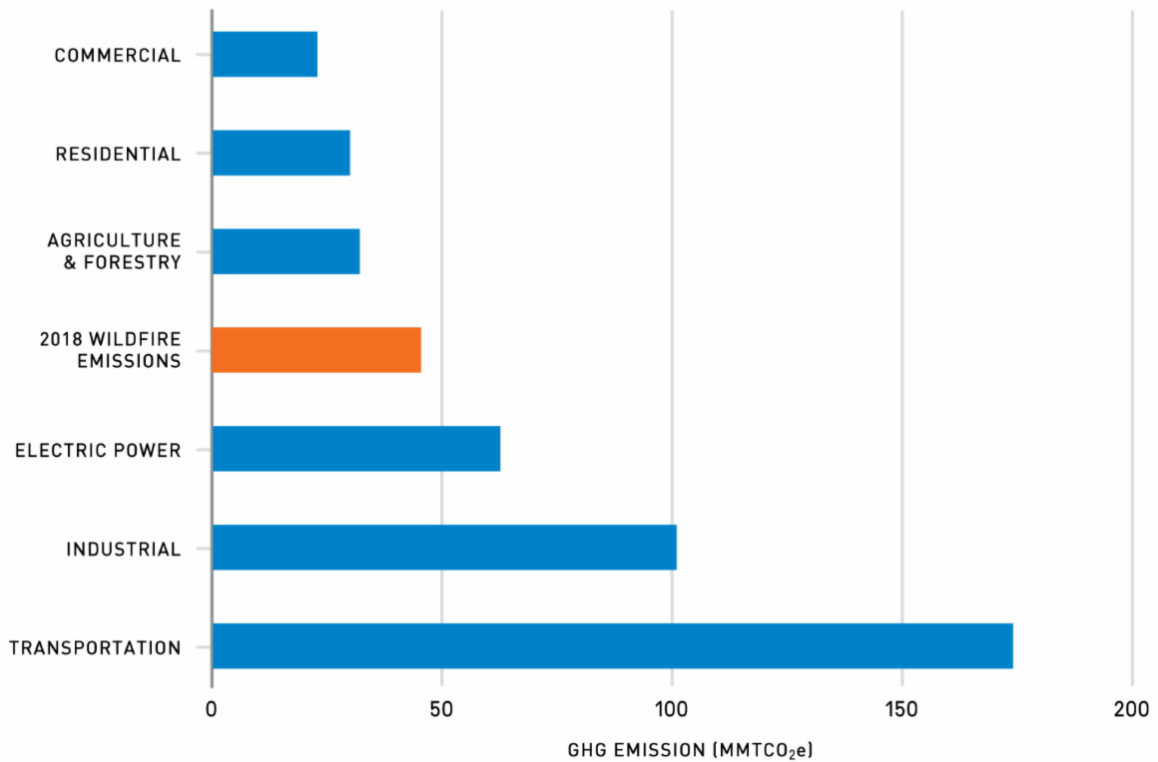


The state continues to experience a housing crisis, as supply has not met demand for decades. 200,000 units of housing are needed annually in order to keep up with demand, but fewer than 750,000 units have been permitted since 2007, accounting for only **40%** of the projected need.

Next 10's analysis on the state's mandated housing goals found that only **25.9%** of the targeted housing units statewide had been permitted at all income levels — even though the current permitting cycle was more than half over. The percentage permitted was progressively worse the lower the income level: **45.6%** of above moderate units — whereas only **19%** of moderate, **9.8%** of low, and **7.3%** of very low-income units — have been permitted. At the current pace, some jurisdictions won't hit their goals for decades or even centuries.

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### More severe wildfires eclipse state's emissions reductions



The 2019 *Index* notes that the 2018 wildfires in California produced an estimated **nine times** more emissions than were reduced across the entire state's economy the year prior — contributing more than the commercial, residential, or agricultural sectors did in 2017.

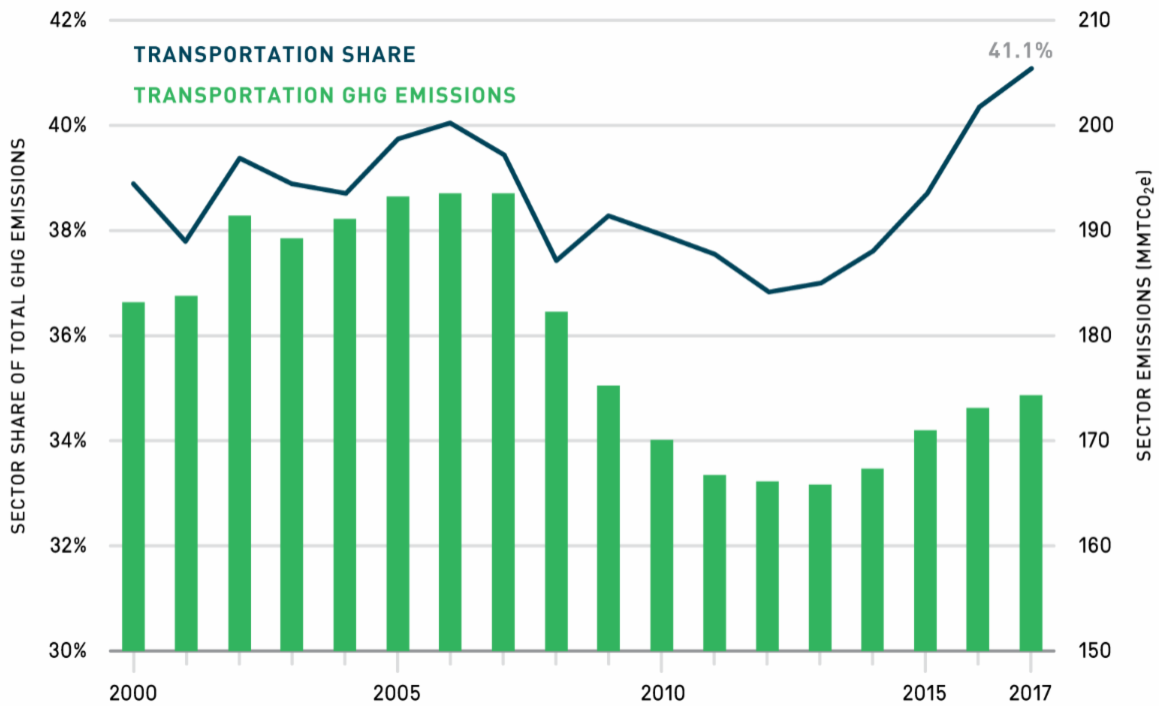
As the climate continues to change, the size and severity of wildfires have increased. The fire season has increased by an estimated **75 days** across the Sierra Nevada, and **129 million** trees have died across the state since 2010. An estimated 15 million acres of California forests need some form of restoration.

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### Transportation remains the largest source of emissions, VMT reached record high



Transportation emissions reached a record high in 2017, representing **41.1%** of the state's total emissions, with on-road passenger vehicles accounting for **28%** of total emissions alone. Vehicle miles traveled (VMT) and GHG emissions from surface transportation increased **0.5%** and **0.1%**, respectively, indicating that the state's fuel economy standards are working to reduce emissions to an extent.

The vehicle ownership rate is increasing faster than ever, with a preference toward larger vehicles: light-duty pickup trucks, mini-vans, and SUVs made up **57.3%** of new vehicle registrations by the end of 2018, up from 39.3% five years prior. Public transit ridership also continues to decline across most jurisdictions throughout the state, though zero-emission vehicle adoption was up **37%** in 2018 and is on track to reach **2%** of all registered on-road vehicles by the end of 2019.

[READ REPORT](#) | [SEE CHARTS](#)

## New Laws in 2020

There are many new laws that go into effect on January 1, 2020. Some of the more impactful ones are in this report by ABC News ([Link](#)).

### PRIVACY

#### **AB 375: Online privacy**

Want to know what information companies like Facebook or Google are collecting about you. The California Consumer Privacy Act (CCPA) gives internet users more control over their data. Among other things, the law gives users the right to know what data is collected, the right to reject the sale of your information and the right to delete your data.

### WORKPLACE

#### **SB 3: Minimum wage**

Another pay hike is on the way for minimum wage workers. The minimum wage in California goes up by one dollar to \$12 an hour for workers at companies with 25 or fewer employees and to \$13 an hour for workers at larger companies.

#### **AB 5: Independent workers**

While aimed directly at gig workers, this new law may also apply to many more contract or independent worker in California. Under AB-5, workers would be considered employees and not independent contractors if the employer controls the work, directs them in the course of their work or if the worker's job is part of a company's core business. The ban on mandatory arbitration is considered pro-employee and pro-consumer because it allows complainants to seek justice through the court system rather than through arbitration, a system seen as favorable to employers and corporations. In court, a plaintiff can ask a jury to award damages.

#### **Graduate Degree Loans For Dreamers**

The SB-354 law, which goes into effect Jan. 1, 2020, allows Dreamers (young, undocumented youth who were brought to the U.S. as children) who want to get a graduate degree from a public university in California to be eligible for the Golden State's student loan program and in-state tuition. This gives Dreamers more opportunities to pursue graduate-level education.

#### **SB 142: Lactation accommodations**

While California has had a law requiring employers to provide breaks for nursing mothers, many were forced to express breast milk in a bathroom stall or office closet. This new law requires companies to provide appropriate lactation accommodations that is close to the employee's work area, has electrical plugs and is free of intrusion.

#### **SB 83: Paid family leave**

New parents will have more time to care for their child. Benefits under Paid Family Leave will increase from six weeks to eight weeks starting on July 1, 2020.

## Members in the News

### **Arrow Benefits Hold Medic First Aid and CPR/AED Certification Class**

Get certified and save a life! One January 11, 2020

### **Chandi Hospitality Group's Mountain Mike's Pizza Reopens in Santa Rosa Restaurant Destroyed in 2017 Wildfire**

The new 4,400-square-foot restaurant on Cleveland Avenue is more than a pizzeria — it's a place for the local community to gather.

### **Chandi Hospitality and Other Resilient Sonoma County Restaurateurs Stake Future on New Sites**

"We definitely changed, and I think we changed for the better," said Sonu Chandi, president and CEO of Chandi Hospitality Group, which operates the restaurant.

### **BioMarin Announces Positive Final Results from Placebo-Controlled Phase 3 Data in Children with Achondroplasia Treated with Vosoritide**

BioMarin Pharmaceutical Inc. reported positive final results from its randomized, double-blind, placebo-controlled Phase 3 study evaluating the efficacy and safety of vosoritide.

### **Nelson Named Largest Bay Area Staffing Firm**

The San Francisco Business Times has listed Nelson in the number-one spot in its recent ranking of largest Bay Area staffing organizations.

### **American AgCredit Rallying Around Our Community in a Time of Need**

American AgCredit is working alongside agriculture industry groups to contribute relief funds to support recovery for agricultural producers and our communities.

### **Tri Counties Bank Announces Recipients of Additional \$1 Million Camp Fire Fund Donation**

Tri Counties Bank announced today the recipients of the \$1 million donation by the Lytton Rancheria Tribe to the Tri Counties Bank Camp Fire Fund in 2018 to assist with long-term rebuilding and recovery programs.

### **Recology Adds Robotics to Produce Cleaner Plastics**

A West Coast operator installed four artificial intelligence units at its high-tech San Francisco MRF.

### **Sonoma Raceway Spreads Holiday Cheer to More than 300 Children at "Race to the Holidays" Christmas Party**

Nearly 300 Sonoma Valley children enjoyed a day of holiday cheer under sunny skies at Sonoma Raceway on Saturday at the 15th annual "Race to the Holidays" Children's Christmas Party.

### **Sonoma Raceway Hosts 9th John's March Against Stomach Cancer, Jan. 11**

Walkers and runners alike can join Sonoma Raceway and No Stomach for Cancer in the battle against gastric cancer at the 9th John's March Against Stomach Cancer on Saturday, Jan. 11.

### **Sonoma Raceway Thanksgiving Food Drive Nets 2,500 Pounds of Food**

Sonoma Raceway took the checkered flag on its 19th annual Thanksgiving Food Drive today, delivering nearly 2,500 pounds of food to two North Bay food banks.

### **Kaiser Permanente's Patricia Kendall Honored in Marin Women's Hall of Fame 2020**

Patricia Kendall honored as the 2020 Woman of Distinction by Marin Women's Hall of Fame.

Read more online at [www.northbayleadership.org/news](http://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](mailto:info@northbayleadership.org)

[www.northbayleadership.org](http://www.northbayleadership.org)