POLICY WATCH – July 2020

In This Issue

The passing of Congressman John Lewis leads me to share one of my favorite things he said: "Do not get lost in a sea of despair. Do not become bitter or hostile. Be hopeful, be optimistic. Never, ever be afraid to make some noise and get in good trouble, necessary trouble. We will find a way to make a way out of no way."

In this issue, we look at a way to make some "good trouble" in calling for a moratorium on new tax measures and opposing those on the ballot this November. Please read the article below for our reasons and if you agree, please join us.

There is a need to "not get lost in a sea of despair" despite the fact that the spread of the virus is worsening and causing great loss of life, affliction and economic havoc on people and businesses. More importantly, we know it is possible to save lives and livelihoods because we have witnessed it in other countries. Despite national leadership missing in action, we must do all we can locally to stop the spread and speed the economic recovery. As John Lewis said, "We will find a way to make a way out of no way."

Best,

Cynthia Murray

Cynthia

NBLC Calls for Tax Measure Moratorium for the November 2020 Ballot

North Bay Leadership Council is taking a stand, as a matter of policy and the times we are in, to oppose ALL tax ballot measures for the November 2020 election cycle. To be clear, in taking this stand, we don't oppose the stated purpose of any measure – our opposition is rooted in timing of being in an economic crisis, and a desire to see wise governmental spending and rational planning for the future.

There are a lot of impacts from the pandemic shutdown, re-opening, shutdown again and the resulting recession. To help combat these impacts, there has been federal relief monies for the unemployed and businesses shutdown, as well as state and local monies to help businesses and residents, including tax paying delays, eviction moratoriums, and other ways to help reduce the burden on those so gravely affected by this economic crisis. Providing relief is what is needed and should be continued. We need more relief, not more taxes.

NBLC, along with the leaders of the business/employer community, have been meeting with governmental agencies asking for financial and regulatory relief and pushing back on government actions that will add new fees, taxes or mandates. We have clearly stated that now is not the time to add any more costs or regulations as businesses and residents are on the brink of survival. To that end, NBLC and other business groups wrote a letter to the Sonoma County Transportation Authority in April asking them to not place a sales tax measure on the ballot this November. We met with Supervisors and asked them to not place any sales tax measures on the ballot this November. Unfortunately, the elected officials have turned a deaf ear to the business leaders and are moving forward with new sales tax measures. Now the cities are also adding sales tax measures to the ballot for November.

The timing is wrong to ask the businesses and residents of the North Bay to reach into their empty pockets to fund a mishmash of tax measures in these uncertain times. The second shutdown has caused an increased sense of urgency to get the Boards of Supervisors and the City Councils to pay attention to the needs of the even more impacted business/employer community. In addition to fumbling the economic recovery planning, local governments have been looking at increasing paid sick leave (the Santa Rosa Council already did this), continuing a moratorium on evictions without any relief for the landlords, and other unfunded mandates. While ignoring the business/employer community, they are now asking the business community to support multiple tax measures on the November 2020 ballot.

By opposing all tax measures, the business/employer community shows that there are consequences for ignoring this community and assuming we will always give support and funding for the ballot measures, especially those we have cautioned against. This is not about what the ballot measures are slated to fund, it is about hitting people with new taxes when they can't afford it, the government not using the funding they have wisely and asking the business/employer community and the taxpayers to be their ATM. And if we want to have our position taken as seriously as the unions, social justice advocates and environmentalists, we need to take a stand like they do.

Please note, that as employers, we have had to cut staff and expenses, but local governments have not done the same to the degree we have. Public pension fund liabilities have not been addressed and are growing, draining taxpayer money from the general fund that could be used to pay for the things that taxes are being raised to do instead. Given the loss of revenue from the pandemic-induced recession, government needs to get its "house" in order and be strategic about their priorities and how to fund them. There is a finite capacity for business and the residents to pay taxes, let's ensure that they are being levied for the most important priorities. Also, it is well known that sales taxes are regressive, so lower income people and the unemployed are more impacted.

By not passing taxes in this election, there is time to assess the situation when there is less uncertainty and confusion due to the uncharted waters we are in today. By the next election in 2022, we hope that there will be an acknowledgement that the business/employer community needs to be heard so we can work with our local governments on finding appropriate funding solutions that we could support.

NBLC invites you to join us in taking a stand, calling for a 2020 tax moratorium, and actively opposing ALL tax measures for this November election cycle. Again, we don't oppose the stated purpose of any measure – our opposition is rooted in timing of being in an economic crisis, and a desire to see wise governmental spending and rational planning for the future. We hope to form a coalition with other like-minded groups and individuals. If you are interested in joining the coalition, please contact info@northbayleadership.org.

Impacts of Pandemic Grow More Severe

As we fight to save lives and livelihoods, things have not been moving in the right direction. The number of cases of COVID-19 are staggering and the rising death toll is unimaginable. We have had to reverse many of the re-openings and there is now serious discussion about what needs to be done to gain control of the spread of the virus and stem the escalating spread. Many experts are calling for the entire U.S. to have a 6 week shutdown, noting that is what worked in other countries who have defeated the virus and gotten back on track to resuming their lives and economy. The U.S. Senate and President are debating the next relief program while unemployment benefits expire, and more businesses are shutting down, with economists predicting that 50% will never re-open.

And here are some other ways that we are being challenged while the virus rages among us:

Child Care is Cratering

In California child care system collapsing under COVID-19, Berkeley report says, (Berkeley News, Link) we learn that the child care system is cratering. The authors say, “The COVID-19 pandemic is having a devastating economic and human impact on California child care centers, forcing hundreds of them to close while others remain open at the risk of illness to both children and staff, according to a new report from the University of California, Berkeley.”

The report says, “Among more than 950 preschools and in-home sites surveyed by the campus’s Center for the Study of Child Care Employment (CSCCE), fully 25% are closed. Among those that remain open, enrollments have plunged, and many owners are going into debt to keep their centers open for families who depend on continued child care, said the report released today (Wednesday, July 22).”

“As a result of the pandemic, in California and in the whole country, we can see that child care is critically important to our economy and to parents who have to work,” said Lea Austin, CSCCE executive director. “But as child care collapses, so many other parts of our economy will be at risk.”

“This is just not going to be sustainable, long term,” said Austin. “We are seeing a collapse. It’s already begun, and I suspect it’s only going to be magnified as we go forward.”

Reinforcing that collapse, we can see that the North Bay child care situation is also in crisis. In Sonoma County child care system ’on brink of collapse’, (Press Democrat, Link) Phil Barber reports, “The child care system has been extremely fragile for a long time,” said Susan Gilmore, CEO and president of North Bay Children’s Center. “And now, because of COVID, it really is on the brink of collapse.”

Barber says, “There were 616 day care providers in Sonoma County before the coronavirus savaged the economy and forced hundreds of local child care centers and in-home providers to suspend operations, according to the Community Child Care Council of Sonoma County, an advocacy and coordinating group popularly referred to as the 4Cs. Nearly half, or 287, remained closed as of July 10, the most recent data point. Fourteen, the council says, are permanently shut.”

“The reasons aren’t hard to piece together,” says Barber. “Before the pandemic, local child care centers averaged 24 children per site at one time, said Melanie Dodson, executive director of the 4Cs. State and county health guidelines currently restrict that number to 12. Yet other requirements, including those involving sanitization, require a robust workforce, a challenge for day care operators to pay for as their enrollment declines."

He continues, "For example, the 13 child care facilities operated by North Bay Children's Center were at 46% of typical enrollment but 113% of normal staffing, a difficult financial equation to sustain. Other centers report similarly disastrous math."

A survey of 953 California child care centers found that center owners are struggling to protect both their health and their income against the COVID-19 pandemic.

The result: an essential service is slowly collapsing.

25% of child care centers are currently closed

47% of those that closed said staying open put their family's health at risk

80% of programs that stayed open report they can't afford to close

77% of child care centers report lost income because of reduced student enrollment

Source: UC Berkeley Center for the Study of Child Care Employment

"At full strength, California's centers and family homes care for close to a million children, according to CSCCE. Some 34,000 licensed child care facilities employ about 120,000 teachers and staff. Most are women of color, in positions that pay poverty-level wages for work that is highly important for a young child's development and safety," says the CSCCE report. "The CSCCE report makes clear that, across California, many preschools and in-home care centers are facing their own versions of this crisis. But there's a consensus that the state and federal governments need to do more."

The report concludes, "If California's child care system is strong, experts say, it can play a crucial role in eventual economic recovery. But if the system is crippled, recovery efforts will suffer. So will children and their families. Thousands of child care providers in California are struggling to manage their way through deep uncertainty. They're facing a new world: More risk, smaller classes, new rules for wearing masks, social distancing and sanitation. For many centers, economics will compound this uncertainty, testing their creativity, patience — and survival."

Barber says, "This economic gloom would be troubling in any industry. But child care plays a critical role in supporting the U.S. economy. Both parents work in nearly two out of three families comprised of married couples with children, the Bureau of Labor Statistics reported in 2019. And as of 2017, according to the Pew Research Center, about 18 million American children were living in homes with just one parent. That makes for a lot of moms and dads who are utterly dependent on child care in order to earn a living."

"As with most aspects of this pandemic and its wake, the most vulnerable communities are getting hit the hardest," says Barber. "With enrollment limited, many child care providers have raised tuition, pricing out poorer families. It all begins to sound like a ticking time bomb. Government officials and business owners are hoping to reopen the economy again soon. Now many people worry that if it actually happens this fall, there simply won't be enough qualified child care to support a full workforce."

Barber offers some hope. He says, "There are trickles of relief. Child care centers have been eligible for those $600 weekly CARES Act checks. (In-home providers report difficulty receiving that money.) Sonoma County and First 5 Sonoma County, a nonprofit that supports programs stressing the important of early education, funded 88 child care slots in the county through May 1; after that, they transferred the spaces to the state voucher program. First 5 California has donated $4 million statewide.

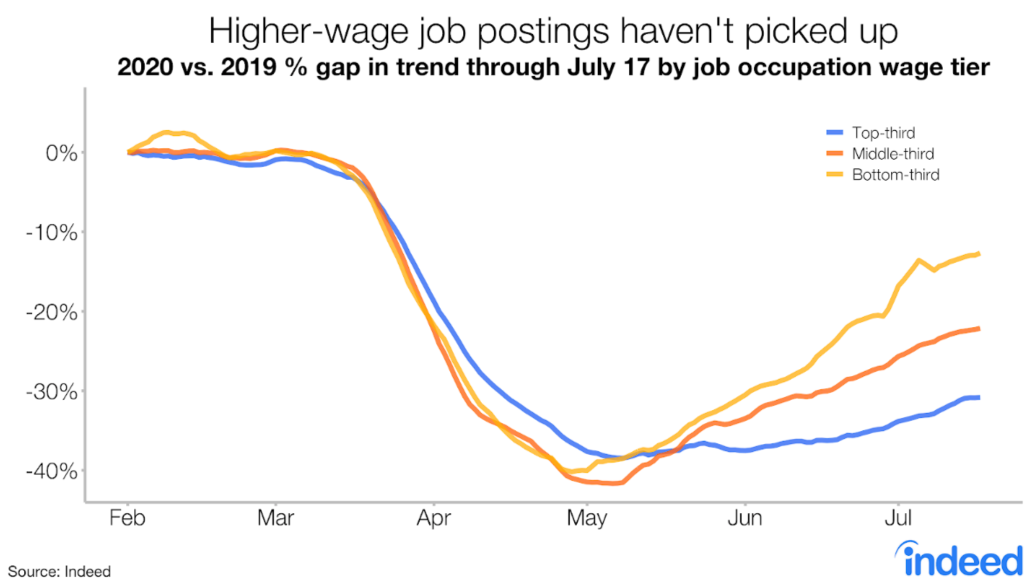
That money isn't nearly enough. Many in the industry are banking on the Child Care Is Essential Act. Authored by Rep. Rosa DeLauro, D-Connecticut, it would make $50 billion available to child care providers across the country. The bill is currently being debated in Congress."

NBLC supports more relief and the bill being debated in Congress. We hope that enough funding can be provided to stop the collapse of this essential program for children, working parents and the economy.

Job Postings Down 22% from Last Year

In Coronavirus and US Job Postings Through July 17: Data from Indeed.com, Indeed Hiring Lab, Link, Nick Bunker says, "The trend in job postings was 22% lower than in 2019 as of July 17 — the eleventh week of gradual improvement. The trend has improved since May 1, when the trend was down 39.3% from a year earlier." But unfortunately, there are a lot of qualifiers to that trend.

Bunker says, "Job postings for higher-wage occupations have fallen the most. Initially, postings in higher-wage occupations fell less than those in middle- and lower-wage occupations, but have subsequently lagged. Postings in higher-wage occupations are now 31% below trend, versus the 13% below trend for lower-wage occupations."



He notes, "This pattern is different from the trend in employment. Bureau of Labor Statistics data through mid-June show that lower-wage industries have lost the most jobs in the pandemic, by a wide margin. This might be because it is more expensive and often takes longer to fire and hire higher-wage workers. Lower-wage industries like retail and food service might adjust their workforces in response to month-to-month or even week-to-week changes in demand. But higher-wage industries like tech and finance might plan their headcounts based on what they expect demand to look like longer-term, in future quarters or years."

As you may expect, "Job postings have fallen most in occupations directly affected by the coronavirus, such as hospitality & tourism, arts & entertainment, and childcare, where the trend in postings is down by roughly a third or more versus last year."

But, Bunker says, “Postings are down in nearly all sectors, even in those not directly impacted by the coronavirus and where many jobs can be done from home. Software development postings are 35% below last year’s trend, and banking & finance job postings are down 42%. Jobs related to driving and retail are now relatively bright spots in the labor market, with job postings roughly in line with 2019’s trend.”

The San Francisco area is one of the areas with the biggest declines in job postings. Bunker says, “Job postings haven’t picked up much in San Jose, San Francisco, and New York, even though more of their workforces are in jobs that can be done from home.” And with the recent reversals of the business openings in the North Bay, we can expect to see increasing jobs losses, especially as more businesses fail.

Is the California Dream Dying?

Joel Kotkin and Marshall Toplansky write in Is the California Dream Dying?, (Los Angeles Times, Link) that the answer to the question is “Not yet.” They explain, “For all the persistent rhetoric from California’s leaders about this state being on the cutting edge of social and racial justice, the reality on the ground is far grimmer. Gov. Gavin Newsom and state lawmakers should stop trying to sell the myth of the California dream. On its current trajectory, this state is socially, fiscally and economically unsustainable.”

How grim? They say, “Our new report on the state of California’s middle class shows a lurch toward a society in which power and money are increasingly concentrated and where upward mobility is constrained, amid shocking levels of poverty. Most of this data doesn’t even account for the recent effect of the coronavirus outbreak, which has pushed the state’s unemployment rate to 15.5%, higher than the nationwide rate of 14.7% (as of July 12).”

“Even before the pandemic, California topped the nation in the widest gap between middle and upper-middle income earners and has become progressively more unequal in recent years. But its greatest shame is the prevalence of poverty amid enormous affluence. California’s poverty rate, adjusted for cost of living, is the highest of any state and was higher in 2019 than in 2007,” the authors say.

Digging deeper, they say, “California’s political leaders like to talk about racial justice, but Latino and Black populations bear the brunt of the pain. And by some measures, such as minority home ownership, California remains far behind states such as Texas, Michigan, Arizona and Florida.”

But there is hope, they say, “The biggest drivers of California’s poverty and staggering inequality are low-wage jobs and extraordinarily high housing costs. But it’s not too late to change course if state policies that help create these twin crises are rolled back. That means reforming business regulations and eliminating regulatory regimes that suppress development in the most populous counties. Instead of encouraging high density growth along the ultra-pricey coastal areas, we need an intensive, state-driven push for job development and housing creation in less costly peripheral regions.”

The authors say, “Since 2008, the state has created five times as many low-wage jobs as high-wage jobs, according to an analysis of Bureau of Labor Statistics numbers. The vast majority of jobs produced pay less than the median wage, and 40% pay under $40,000 a year. State policies — particularly environmental regulations that have led to high energy prices and long approval processes to get development permits — have been key factors to constricting the creation of higher-paying jobs. California’s energy prices, now among the highest in the nation, hit not only the pocketbooks of working and middle-class Californians but have discouraged more jobs in manufacturing. And on July 1, the state gasoline tax rose again by 6%.”

Notably, the authors say, "The state is also falling behind in creating business and professional service jobs, the largest high-wage sector. Overall, California lost 1.6 million above-average-paying jobs in the past decade, more than twice as many as any other state. This pattern could become worse if tech workers are given the option to work remotely after the pandemic ends. In fact, as many as two out of three Bay Area tech workers say they would leave that area if they could."

Confirming the housing crisis that we have lamented for years, the authors say, "This lack of good jobs converges with unaffordable housing to destroy hope for a better future for millions of Californians. Newsom has called for building 3.5 million new homes by 2025. Yet, according to our analysis of Census data, housing construction continues to lag (burdened by lengthy permit processes and often years of litigation), with 110,000 housing units built in 2019 — far below the 302,934 units built in 1986 when California had one-third fewer residents. At the current rate, it would require nearly 30 years to build 3.5 million homes."

And they say, "Persistent housing shortages mean that most new single-family and apartment construction tends to be for the high-end market. With the Bay Area and coastal Los Angeles too expensive for most middle- and working-class families, they have headed to places with more affordable housing but relatively few high-paying jobs. The Inland Empire of Riverside and San Bernardino counties, for example, also suffers the lowest average pay of any of the nation's 50 largest counties."

Is there a solution? The authors say, "The COVID-19 pandemic offers California a way out of this dilemma if it can adjust to an already accelerating national movement away from dense cities and, even among millennials, toward suburbs. Employees working from home, notes demographer Wendell Cox, have already passed the number of those using transit in Southern California before the pandemic and have now grown markedly everywhere. This would represent an environmental win: it would allow commuters to work closer to home, thus reducing greenhouse gas emissions." Is this something that we would want to see in the North Bay? Incidental information says that the North Bay is very attractive to workers leaving San Francisco and Silicon Valley now that they can work remotely.

Intriguingly, the authors claim, "The many benefits of working remotely — or in dispersed business centers — are apparent, in terms of giving affordable new choices to California families and companies. This would mean rethinking state policies that have made reducing auto use a top priority and greenlighting projects in less expensive regions rather than force development into areas where prices are highest and opposition to new development is often most intense."

In conclusion, the authors say, "But unlike in other states, there is no coordinated strategy in California to help industry grow middle-class employment. The biggest impediments are not physical or even fiscal but the willingness of state leaders to acknowledge the crisis for working people of all ages in California — made worse by the fallout from the pandemic. The question is, do they care enough about economic and racial justice to build a vision and adopt policies that would give more people a shot at a decent job and affordable housing?" And that is a question for which we would all like to know the answer!

Why time feels so weird in 2020

Feilding Cage writes Why time feels so weird in 2020**, (**Reuters Graphics, Link), "The global coronavirus pandemic has heightened our awareness that time is subjective. For some people who enjoy working from home, the days have whizzed by. For others desperate to travel or visit a loved one, time has slowed to a crawl.

He says, “Clocks were invented to help us track the passage of time - and yet in some moments when staring at a clock, we’re made aware of just how long a second can feel.” And then he shares some fascinating exercises where you can gauge your sense of the passing of time and why you feel that way. Please go to the link and try it! It is very cool.

Cage concludes, “2020 will not be forgotten as the year of the pandemic anytime soon, but there is a high probability that we will misplace exactly when some events occurred. As you find yourself looking back on this year, be aware of the illusion of time.” If you do the exercises, it will give you insight into your COVID sense of time. And right now, any insights are good!

Wisdom from Congressman John Lewis – Let’s Make Some Good Trouble!

“Do not get lost in a sea of despair. Do not become bitter or hostile. Be hopeful, be optimistic. Never, ever be afraid to make some noise and get in good trouble, necessary trouble. We will find a way to make a way out of no way.”

Members in the News

College of Marin Joins the California Community College Equity Leadership Alliance
College of Marin, along with 63 other community colleges, has joined the California Community College Equity Leadership Alliance to confront racial inequities within their educational system.

Ultragenyx Pharmaceutical Inc. Gets FDA Approval for Dojolvi
Ultragenyx Pharmaceutical Inc. (NASDAQ: RARE), a biopharmaceutical company focused on the development and commercialization of novel products for rare and ultra-rare diseases announced that the U.S. Food and Drug Administration has approved Dojolvi (triheptanoin) as a source of calories and fatty acids for the treatment of pediatric and adult patients with molecularly confirmed long-chain fatty acid oxidation disorders (LC-FAOD).

The Buck Institute for Research on Aging Explores Fat as Coronavirus Weapon
Scientists at the Buck Institute for Research on Aging in Novato are advocating for research to determine whether eating fatty foods could be protective for the coronavirus.

Star Staffing is Named a Forbes Best Temporary Staffing Firm in 2020
Star Staffing, a Northern California based staffing and recruiting firm, has been named to Forbes magazine’s list of America’s Best Temporary Staffing Firms in 2020.

Nelson Staffing Ranked as One of America’s Best Professional Recruiting Firms
Forbes partnered with market research company Statista to determine Americas best staffing and recruiting firms.

SolarCraft Completes Solar Power Installation at Tomales Fire Station
Novato and Sonoma based SolarCraft, a leading North Bay clean energy provider for over 35 years, recently completed the installation of a 38.4 kW DC solar electric system at Tomales Fire Station in the remote West Marin town of Tomales, CA. The solar power system was designed and installed by SolarCraft, lowering their carbon footprint and utility costs by almost $14,000 per year.

PG&E Offers Personalized Emergency Plan Tool for Customers
Whether it's earthquakes, wildfires, winter storms, health pandemic or power outages, Californians need to be prepared for any emergency or disaster. That's why PG&E has launched a new tool on our online Safety Action Center that helps customers be prepared.

Wells Fargo Launches $400 Million Small Business Recovery Effort
Following an April 2020 industry-leading commitment to donate all gross processing fees from the Paycheck Protection Program, Wells Fargo unveiled today the details of an approximately $400 million effort to help small businesses impacted by the ongoing COVID-19 pandemic keep their doors open, retain employees, and rebuild.

NORTH BAY LEADERSHIP COUNCIL

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