POLICY WATCH – July 2021

In This Issue

- State Budget Wows with Cradle-to-Career Investments
- 'Millions Upon Millions' in Employer-Funded Education Benefits Go Unused
- Why Unemployed Workers Aren't Working – Hint: For Most, It's Not High Unemployment Benefits
- Sonoma County Tourism Joins NBLC
- Members in the News

There is good news in this issue! While we continue to struggle with the pandemic, there are bright spots on the horizon starting with the California's amazing investment in children and education. Coupled with the Federal government's Child Tax credit, we can see real progress in California to raise children out of poverty and prepare them for the future. Cradle-to-career opportunities are abounding!

We also see more investments in workforce development. Our workforce shortage continues and will not be fully abated until we fix the housing crisis, but new workforce training and education programs will help. We also look at how to better use employer-funded education benefits in this issue.

And do not miss the debunking of the reasons why workers are remaining unemployed. The top reason is the lack of childcare, not high unemployment benefits. Check out the myriad of reasons we have so many still not rejoining the workforce. And the Delta variant spike is delaying more workers from coming back.

Ralph Waldo Emerson said, "Live in the sunshine, swim the sea, drink the wild air." Wishing you a happy summer!

Best,

Cynthia Murray

Cynthia

State Budget Wows with Cradle-to-Career Investments

Long-sought funding for preschool and childcare programs are in this year's state budget! NBLC is pleased that much of what we have been advocating for to improve children's lives from cradle-to-career are part of this new investment. The Opportunity Institute's staff put together a good analysis of the budget the Governor signed regarding funding for children and education, making a huge investment in our state's future.

Here is the Opportunity Institute's staff summary (Link):

Governor Brown recently signed a $171 billion budget for 2016-2017 that makes substantial investments in California's children and education system. With record-high spending for K-12 schools and community colleges under Proposition 98, and higher reimbursement rates for childcare providers, this year's state budget makes progress on developing a more inclusive approach to education that is at all levels more efficient, better connected, and more quality-centered.

The $74.4 billion education package is a turning point for education in the state and marks a significant step up in the long and grueling climb out of the recession. Here are the major education investments - from early childhood to early career - for 2016-17, how they will impact each area, and where additional efforts are needed.

Early Learning

It's well documented that all children, but especially low-income and dual language learner children, benefit from high-quality early learning experiences. Children who participate in high-quality programs have higher test scores when they enter kindergarten, are less likely to repeat grades, and graduate from high school and attend college at higher rates; early childhood programs are a good deal for the whole system of educating children. By adding nearly three thousand new subsidized slots this year, California's budget deal makes strides to increase the number of children who will benefit. It also improves early childhood educators' ability to deliver high-quality care by increasing the rate at which they're reimbursed for services to keep pace with the minimum wage.

For the early childhood community, this is a good budget that will make progress toward closing achievement gaps and ensuring that a quality education begins in the earliest years. But there is still work to do to increase access and shore up quality. The income eligibility limit at which families qualify for subsidized childcare has not been updated since 2007, making access to high-quality early learning out of reach for many families who still must earn less than before the recession to receive state assistance for childcare services. While the budget recognizes the need for more subsidized preschool slots, thousands of California children still need access to programs and remain on the waiting list for subsidized care.

K-12 Education

The budget's investments in K-12 both complement existing investments in higher education and advance the goal that students - especially disadvantaged students - successfully graduate from high school, well-prepared for college and career.

Proposition 98, which guarantees minimum funding for K-12, community colleges and state preschool, adds $71.9 billion to the budget – a new high record for spending in California and an increase of more than $23 billion since 2011-12. Of this, $2.9 billion goes to helping districts implement simpler school finance and accountability systems through Local Control Formula Funding. A combined increase of $35 million in one-time General Fund investment focuses on strengthening programs aimed at recruiting additional teachers and streamlining teacher preparation programs – incredibly important in the face of growing teacher shortages.

An additional one-time $1.3 billion will help support and empower local authorities to allocate resources to continued Common Core implementation, Smarter Balanced Assessment infrastructure, and other areas that are not otherwise adequately funded.

But beyond the question of what minimum basis of funding is necessary to support California students, public education advocates should also pay careful attention to matters of equity, even in the face of increased funding levels. Specifically, that local funding truly prioritizes the students with the highest needs, and that increased financial flexibility for districts translates into more intentional and effective programs, strategies, and resources for at-risk students. Ultimately, whether California can deliver on the promise of equitable, high-quality education will depend not solely on bottom-line accounting principles, but on the integrity of community education and engagement.

Higher Education

The budget makes important investments in higher education, too, with a $30 billion plan that increases funding to the University of California, California State Universities, and community colleges, and seeks to bolster degree attainment for low-income and underrepresented students through a number of newly funded programs.

The largest program provides $200 million to establish the Strong Workforce Program at the community colleges, which seeks to increase the availability of regionally relevant, high-quality career and technical education (CTE) courses and pathways. An additional $25 million will be spread among the winners of the Governor's Awards for Innovation in Higher Education, which encourages community colleges to develop creative and equitable solutions for increasing transfers to four-year institutions, graduation rates, and improving overall time-to-degree. CSU also receives $50 million for its Graduation Initiative, a program that aims to improve four- and six-year graduation rates to 24 percent and 60 percent, respectively, with a particular focus on underrepresented students and first-generation college students.

These programs are crucial for helping to close California's looming 2.4 million degree gap and we applaud the state for taking the necessary steps to ensure that our public universities and colleges have the tools and resources to help students succeed.

NBLC will continue to monitor the way these funds are allocated at the local level to help ensure that the funds are deployed in the best ways possible.

Workforce development initiatives were also funded. Here is a summary from Cruz Strategies:

Workforce Development

The budget package allocates over $1 billion for workforce development. Funds will provide training, education, and "upskilling" opportunities supporting growth in critical industries like allied health, housing construction, and other "high road" industries. Some allocations of interest:

- Provides $100 million to expand the High Road Training Partnership program.
    - High road" means a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity and a clean environment. The strategies include, but are not limited to, interventions that:
        - Improve job quality and job access, including for women and people from underserved and underrepresented populations.
        - Meet the skill and profitability needs of employers.
          Meet the economic, social, and environmental needs of the community.
    - "High road training partnership" means an initiative or project that models strategies for developing industry-based, worker-focused training partnerships, including labor-management partnerships. High Road Training partnerships operate via regional, industry- or sector-based training partnerships comprised of employers, workers, and their representatives including organized labor, community-based organizations, education, training, and social services providers, and labor market intermediaries.
- Provides $25 million to develop a *Regional Equity and Recovery Partnership* program between local workforce boards and community college.

- $5 million for the New Economics for Women pilot program.
- Provides $10 million for a shared data infrastructure between the Labor Agency and the Community Colleges Chancellor's Office with $2 million funding data sharing and outcome research through the Bureau for Private Postsecondary Education.
- Health Professions Career Opportunity Program - approves $16 million General Fund ongoing to provide grants to universities and colleges to operate Health Professions Career Opportunity Programs.

Given the workforce shortage and skills mismatch, we hope these investments provide fruitful in improving the workforce availability in the near future.

'Millions Upon Millions' in Employer-Funded Education Benefits Go Unused

New studies show that employer-funded education benefits are not being used but if employers make some changes to their benefit structure that can be changed. This is especially important now when employers are struggling to find employees with the skills they need to fill job openings, and employees see that they need to upskill or reskill to remain employable.

In the Hechinger Report's 'Millions upon millions' in employer-funded education benefits go unused by Levi Pulkkinen (Link), we learn, "employers set aside tens of billions each year for tuition benefits programs, supposedly with the hope of building the skilled workforce they need. But nearly half that money sits unspent, according to research conducted by The Graduate! Network, a consultancy that surveys employers and employees about education programs. Surveys show many of the benefits don't match working adults' interests or meet their needs, and — crucially in a country where most adults live paycheck to paycheck — most offer only to reimburse student-workers for college expenses they've already incurred."

Pulkkinen says, "Meanwhile, American employers are increasingly demanding college degrees of their workers, yet few have actually paid for those degrees. While people over 25 make up a quarter of all American college students and a slim majority of part-time students, only a tiny fraction of those 3.5 million students are using employer-provided education benefits. Estimates of how many eligible workers use those supports vary, ranging from roughly 1 percent to 10 percent, and participation has always skewed toward white-collar workers."

Reasons for low usage include "employees struggle to use the benefits as they are most commonly offered. Adult workers often can't balance education with their family commitments. Without access to affordable childcare, for instance, it is very difficult for most working parents to consider spending time on education. Crucially, many programs require workers to front costs they can't cover or direct them toward educational tracks that don't credibly promise a pay bump."

"But programs built with adult learners' needs in mind have seen enrollment spike," says Pulkkinen, "even during the pandemic. Indeed, the pandemic may have shown that the previous low participation rates in employer-funded education had more to do with lack of time than lack of desire."

With the current programs as having "millions upon millions" of unused dollars, the solution is for employers to "drop reimbursement and shift to tuition assistance, which relieves working students of most out-of-pocket costs." The University of Virginia made this change and saw good results. "The expansion came at a moment when an unprecedented number of Americans were thinking about their futures, said Alex Hernandez, dean of UVA's School of Continuing and Professional Studies. One in three workers had lost or changed jobs by late October. Many of those were among the 116 million American adults with a high school diploma but no college degree. "After the initial shock, people really started thinking about their futures and the careers and opportunity," Hernandez said. "People really thought about, 'How am I setting myself up to thrive?'"

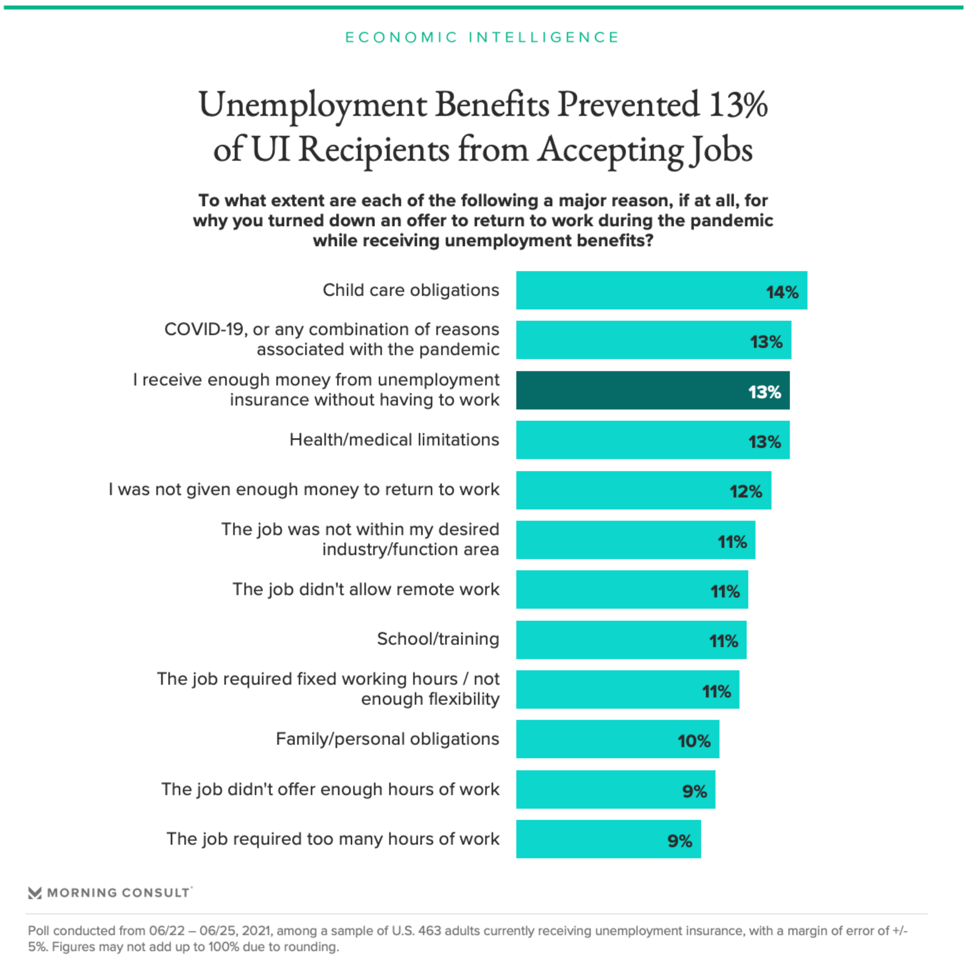
Pulkkinen says, "'Until recently, educational benefits have largely been reserved for middle and upper management,' said Haley Glover of the Lumina Foundation, an Indianapolis-based group advocating for greater access to postsecondary education. Whether the programs are reaching communities of color or the frontline, low-wage workers at whom they are aimed isn't at all clear, she said. 'It's those folks who need to be helped the most, and it's also where the most opportunity for change lies,' Glover said.
Employers doing education right are paying for tuition up front and offering guidance to would-be student-workers while curating the list of colleges with which they partner, Glover said. They offer paths ending with anything from an associate degree to a master's, as well as professionally useful certifications. Their programs recognize on-the-job training with credit, and can be short or, for students unable to take a heavy course load, long and flexible."

The growth in remote learning should help the effort of employers to offer training and education to their employees. In California, Calbright College, the online community college, was designed to help working people learn at their own pace remotely. An audit showed that Calbright is attracting adult learners, especially from underserved communities. It is hoped that Calbright can fulfill its promise in the coming years.

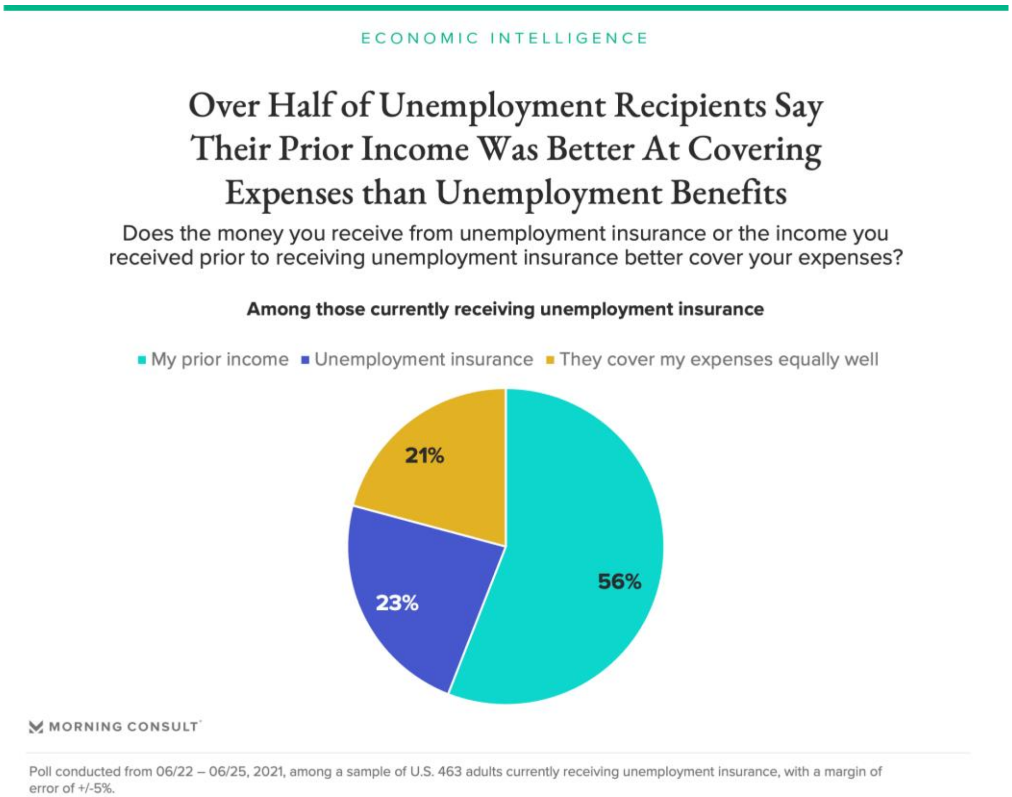
Why Unemployed Workers Aren't Working – Hint: For Most, It's Not High Unemployment Benefits

Expiring Unemployment Insurance Could Add Up to Nearly 2 Million Jobs This Year by John Leer (Morning Consult (Link) shares survey results on why unemployed workers aren't working. The top reason: childcare obligations. Followed by concerns about the pandemic and then unemployment benefits. After that a slew of other reasons why people aren't going back to jobs just yet (see chart).

Debunking that failure to return to work is because of high unemployment benefits, the survey found that "unemployment benefits contributed to more than one in ten UI recipients rejecting a job offer during the pandemic. Just under a third of UI recipients have turned down job offers during the pandemic, but under half of those rejections were directly attributable to the generosity of UI benefits. Forty-five percent of those who turned down a job offer cited the generosity of UI benefits as a major reason why they did not accept the job offer, meaning that over half of the jobs that UI recipients rejected would have been rejected even if they were no longer receiving benefits. Taken together, unemployment benefits directly contributed to 13% of UI recipients rejecting a job offer during the pandemic."



Leer reports, "relatively few UI recipients feel like they are better off living on unemployment benefits than they were prior to the pandemic. Only 20% of UI recipients who previously worked full time and 28% of workers who previously worked part-time indicated the money they receive from unemployment benefits does a better job of covering their basic expenses than the income they earned from working prior to receiving unemployment benefits. These survey results strongly reject the narrative that all UI recipients are doing better financially than they were prior to the pandemic."



Leer says, "roughly 85% of UI recipients who are not employed and not looking for work signal that they do not expect the barriers to looking for work to continue beyond the end of year, translating to an increase in the civilian labor force of 2.14 million workers by the end of the year…and provides a clearer picture of the timing of workers returning to work: The expiration of unemployment benefits over the summer combined with a return to school in the fall will eliminate barriers to looking for work for roughly 2.14 million current UI recipients."

"Sluggish job growth in April and May was not exclusively attributable to the generosity of unemployment benefits," says Leer. "Rather, a range of factors, in addition to unemployment benefits, contributed to slower-than-expected job creation earlier this year. As a result, expiring benefits will not address all the barriers to filling open roles with qualified candidates and contributing to job creation."

"Furthermore," says Leer, "reducing or terminating unemployment benefits carries its own set of costs, particularly in terms of limiting personal income and consumption if employment income does not rapidly replace unemployment benefits. While more are likely to become employed as a result of expiring unemployment benefits, the transition toward income-driven spending carries its own set of economic risks."

Sonoma County Tourism Joins NBLC

Sonoma County Tourism (SCT) has joined North Bay Leadership Council. SCT is the official destination stewardship organization for California's Sonoma County. SCT is a private, non-profit marketing and sales organization dedicated to sustaining the hospitality economy in Sonoma County. Tourism generates $2.175 billion annually for the local economy, $193.8 million in government revenue, and supports more than 22,300 jobs.

Patty Garbarino, chair of NBLC's board and President of Marin Sanitary Services, welcomed SCT, "Tourism is a huge part of the North Bay economy, and having SCT as a member will help us support this essential contributor to the region's economic vitality with public policy advocacy for tourism."

The member representative from SCT is the President and CEO, Claudia Vecchio. Vecchio said, "We are excited to join NBLC and work with North Bay leaders on strengthening the economy while protecting the environment to ensure that Sonoma County is a wonderful place to visit, live and work." SCT's has transitioned from a destination marketing organization to a destination stewardship organization (DSO). The change in focus, from touting the attributes of Wine Country to one of sustainability and responsible stewardship to protect the county's future.

The hospitality and tourism industry in Sonoma County comprises one out of every 10 jobs and provides almost $150 million in revenue for local and state governments. This revenue is used for things like parks, economic development, cultural and historical festivals and events, affordable housing and other uses.

SCT is committed to giving back. In recent time, SCT staff and members have volunteered at Redwood Empire Food Bank, did cleanup at Steelhead Beach Regional Park and Foothill Regional Park, helped raise awareness for the 2020 Census and donated blood in a blood drive. SCT also launched a 2-year initiative with Kind Traveler, a Manhattan Beach-based online travel agent that incentivizes visitors to give back to local organizations when they book a hotel stay. The recipient organizations are Redwood Empire Food Bank, Sonoma Land Trust and the Russian Riverkeeper.

Claudia Vecchio is an industry veteran with more than 30 years of experience, including being the first director of the Nevada Department of Tourism and Cultural Affairs. Her alternate is Kelly Bass Seibel, Senior Director, Community Engagement. Bass Seibel was formerly in leadership positions with the Petaluma Health Center and the Santa Rosa Metro Chamber.

NBLC Member Anniversaries

Thank you to the for being NBLC members all these years!

Kaiser Permanente ~ 28-year anniversary
Canine Companions for Independence ~ 15-year anniversary
SOMO Living ~ 14-year anniversary
Sonoma County Office of Education ~ 4-year anniversary

Members in the News

PG&E Vows to Bury 10,000 Miles of California Power Lines, as the Dixie Fire Explodes
Pacific Gas and Electric Co. executives committed Wednesday to move 10,000 miles of the utility's power lines underground, a daunting and expensive task for the embattled utility that's just emerging from bankruptcy after it was held responsible for some of California's most destructive wildfires in recent years.

AT&T's Disaster Recovery
AT&T is committed to keeping customers connected even in the wake of unpredictable, catastrophic events.

Barn 5400 Wknd Fest – Curated Artisan Market
An indoor & outdoor Sonoma County pop-up retail market featuring your favorite local artisans and makers.

Side by Side's TAY Space Drop-In Center Re-opens!
The TAY Space drop-in center reopening in late May signaled good news for Marin youth who find a haven there.

Strata Clean Energy Battery Storage Site at Former Petaluma Golf Course to Begin Permitting Process
Touting the results of a newly released economic impact report predicting millions in new revenue, officials with Strata Clean Energy are preparing to file a formal permit application for a battery storage facility on Petaluma's southeastern edge.

Kaiser Permanente San Rafael Park Medical Offices Grand Opening
On behalf of Tarek Salaway, SVP/Area Manager, Naveen Kumar, MD, Physician in Chief, and Pat Kendall, Medical Group Administrator, you are cordially invited to join us as we celebrate the Grand Opening of our San Rafael Park Medical Offices.

The Buck Institute for Research on Aging Finds First Actionable Clock That Predicts Immunological Health and Chronic Diseases of Aging
Researchers from the Buck Institute and Stanford University have created an inflammatory clock of aging (iAge) which measures inflammatory load and predicts multi-morbidity, frailty, immune health, cardiovascular aging and is also associated with exceptional longevity in centenarians.

Catholic Charities – Santa Rosa Wins Achievement in Non-Profit Excellence Award
Center for Volunteer & Nonprofit Leadership (CVNL) is pleased to announce the recipients of the 1st Annual Heart of Sonoma County™ Awards.

Sonoma County Tourism Nominated by United Airlines and USA Today
Sonoma County has been nominated for Best American Wine Region in Hemispheres magazine's Readers' Choice Awards.

Sonoma County Tourism Announces New River Shuttle Launches This Weekend
Sonoma County Regional Parks has announced the launch of a new weekend shuttle service between Santa Rosa and Russian River Beaches, starting this Saturday and continuing every weekend through Labor Day.

Materials Availability, Drought Concerns Challenge California North Coast Housing Projects
Though the cost of materials to frame houses and build cabinets appears poised to fall considerably, longtime North Bay homebuilder Keith Christopherson has yet to see it.

BPM Welcomes Gumbiner Savett, Expands Presence in Southern California
BPM LLP, one of the 50 largest public accounting and advisory firms in the country, and Gumbiner Savett Inc., a full-service accounting and consulting firm headquartered in Santa Monica, announced that the businesses will combine, effective July 1, 2021.

Who We Are

Over thirty 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

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