California Future of Work Commission:
Draft Recommendations

Note from the co-chairs:

Below, you will find our reflection on a frame and architecture for the Commission's recommendations, that was guided by the following aspirations:

- *Build on the ideas that many of you have voiced and can be found in prior working drafts*
- *Be responsive to the opportunities, challenges, and core issues that we have heard, learned, and identified through the work of this Commission (from Commissioners, workers, employers, experts, public comments, and additional research).*
- *Have a set of recommendations that are bold (some hard), and that we as a Commission can look back at in 10 to 20 years to be proud that our Commission set California on the right course for the future of work. That means the recommendations include a few moonshots, with ambitious goals over the next 10 to 20 years, that also reflect the aspirational, innovative, opportunity-oriented, and prosperity-for-all spirit of California. Here, we have been inspired by the aspirational spirit that many Commissioners have voiced in our meetings.*
- *At the same time, we would want each moonshot to also have a clear, actionable path forward that starts now, against which we imagine making measurable progress each year towards the moonshot goals.*
- *We hope that the majority of recommendations will involve, and require the active participation of, multiple stakeholders. We see this being a roadmap for California, and a blueprint for others beyond California.*
- *We should be clear as a group that we are not writing legislation, nor are we writing 'press-button to implement' recommendations. We should provide recommendations that give actionable direction, and recognize that following this phase of the Commission, a next and different phase will be required to develop / pilot / detail and involve others in advancing the collective agenda and aspirations of this Commission.*

We are excited to hear your thoughts and feedback, and we hope for Commissioners to think through how we might partner to champion and spur action on the recommendations we have identified as a group.

NOTE: This document reflects further edits since the version distributed on March 6th based on feedback from Commissioners, but remains a working draft and does not represent final recommendations.

Filters for recommendations:

Given the direction and principles that the Commission has adopted and the challenges identified in our problem statement, all recommendations should:

- Promote racial and gender equity
- Be inclusive to all regions of California
- Empower workers to have a voice in decisions made about the future of work
- Be uplifting and feasible for the small and medium businesses that fuel our economy
- Be initially explored through evidence-based testing or a pilot, and maintain a continued focus on data and evidence for transparency, effectiveness, and accountability

☆ – *represents recommendations with potential for a "moonshot" aspiration, for which we should set 2030 'stair-step' goals and 2040 'moonshot' aspirations*

Overview of recommendations:

A. Raise the floor across all forms of work in California while closing the gaps for workers and regions

☆ 1. Raise the floor to eliminate working poverty, especially in large, growing, and work-enabling sectors like care and services (with a 2030 'stair-step' goal and 2040 'moonshot' goal TBD), through a tripartite effort by workers, employers, and government. Begin by launching two pilots: (i) pilot a tripartite, industry-wide bargaining process in the care sector; and (ii) pilot a voluntary agreement between workers and employers to provide quality, entry-level service sector jobs (e.g., in restaurant and food service) with training opportunities and an upward career path both *within* the service sector and into higher-wage underfilled positions such as in the public sector, manufacturing, and hospitality. Empower these workers with an increased role in upskilling and governance.

☆ 2. Create a 21st century employee benefits model and safety net that complements work in its changing forms (with a 2030 'stair-step' goal and 2040 'moonshot' goal TBD), and is consistent with new varieties of work and work arrangements, the needs of employers including SMBs, and the displacement impacts of automation. Initially, pilot a system of portable benefits within one sector through a public-private partnership that includes local municipalities, with the partner organization developing an online platform to facilitate benefits collected through contributions from employers and clients. In the medium-term, assess current programs to identify state policies that would complement work with the objective of decent quality of life for workers.

☆ 3. <u>Increase opportunities to improve employment, wages, and economic mobility and career pathways for populations with the biggest gaps (with a 2030 'stair-step' goal and 2040 'moonshot' goal TBD)</u>, including women, people of color, immigrants (including undocumented immigrants), individuals who have been through the justice system, individuals who are at immediate risk of homelessness or who are homeless, youth exiting foster case, and people with disabilities. Start by encouraging the creation of coalitions involving employers and workers along with technology companies, venture capital, non-profit organizations, employment social enterprises, and educational institutions to develop and launch innovative pilots and solutions.

☆ 4. <u>Close gaps in job growth and income between all regions/locales across California (with a 2030 'stair-step' goal and 2040 'moonshot' goal TBD)</u>. Catalyze this change and empower regions through a cross-sector competition or series of challenges that encourages regions to bring together civic, labor, and business leadership to develop local investment strategies that will lead to the large scale creation of quality jobs as well as transform existing jobs to quality jobs. Encourage regions to seek both public- and private-sector funding to finance these strategies. Identify targeted regions that exemplify different local challenges e.g. a city, a region, a rural area, etc., and facilitate a coalition of local leaders, employers and workers, chamber of commerce, and labor leaders to develop pilot initiatives that make it easy for companies to participate and provide funding and as a way to test approaches to scale across the state.

B. Make California a place known for quality jobs and high-road employers, while building on California's history as a great place to start and run a business

☆ 5. <u>Establish a Job Quality Index for California and grow the share of quality jobs in California</u> (with a 2030 'stair-step' goal and 2040 'moonshot' goal, e.g., by 2040, 80% of employers in California are high-road employers and 80% workers in California are in quality jobs). Measurement of quality jobs must also include measurements of equity. Begin by launching a multi-stakeholder task force – of workers and large and small employers – to define what makes a quality job, use these measures to build a Job Quality Index for California, and set goals for job quality in the state. Start by encouraging voluntary commitments by employers across all sectors, while building out a 'carrot and stick' approach to recognize and incentivize high-road employers (e.g., through channels such as tax credits, licensing fast-track, procurement standards, etc.). Track and report progress (including number of companies participating) towards the moonshot goal every 2 years.

6. <u>Harness California's largest employers and technology companies as catalysts to create pathways to quality jobs</u>. Form a coalition of tech companies and large employers who are committed to working together to identify and implement pathways to quality jobs and standards of work, that they will set for themselves and extend to their value chains and ecosystems. Encourage partnerships that involve large employers and tech companies working together with

community colleges, state and local agencies, university researchers, small and medium businesses, startups, and community-based organizations. Partners should collaborate on a 'moonshot for the middle class', through actions such as training workers for quality jobs in their sector (e.g., as software administrators), supporting skills-based hiring, providing real-time labor market information, and experimenting with scalable mechanisms to finance workforce development. Celebrate and incentivize those participating and making progress.

7. <u>Encourage and enable innovative corporate forms and approaches to employees (including broadening ownership) that act for the benefit of all stakeholders, including workers.</u> In the short-term, launch a working group that will explore various pathways for worker ownership and voice and develop recommendations for the state. This working group should examine opportunities to:

- Grow the number of for-benefit corporations in California.
- Foster worker-owned cooperatives and other forms of ownership that provide some equity to workers. Explore piloting worker-owned cooperatives that address hard-to-fill jobs or growing skill gaps by partnering with employers across critical industries, such as health care.
- Address risks posed by monopsony power and industry concentration.
- Further enable and support workers to advocate for themselves to maintain workplace protections, including to address issues of wage theft and occupational safety.

C. Future-proof California to meet future demand and continued growth

☆ 8. <u>Capitalize on California's strengths and priorities – in renewable energy, construction technology, agriculture, transportation, etc. – to reinvigorate innovation and generate more jobs in fast-growing sectors (with a 2030 'stair-step' goal and 2040 'moonshot' goal TBD).</u> Direct existing R&D funding towards California's strengths and tie to outcomes that will lead to the creation of quality jobs with benefits to workers, the environment, and the economy. Ensure agencies and programs dedicated to combating poverty and inequity have the capacity to invest in research and innovation, and challenge researchers and entrepreneurs to tackle challenges of low-wage work. Support entrepreneurship to expand the number of and quality of jobs.

☆ 9. <u>Help workers build skills to adapt as technology changes the nature of work, through a joint effort and industry-wide partnerships by worker organizations, employers, job-training organizations, and educational institutions in California (with a 2030 'stair-step' goal and 2040 'moonshot' goal TBD).</u> Start by designing a skills taxonomy for employers and educators to adopt as a common language, and use this to identify the skills that workers will need as occupations shift and technology infuses the workplace. Ensure these skills are built into curriculum across all levels of education. Provide opportunities for life-long learning, through apprenticeships (including in 'non-traditional' occupations), workplace reskilling programs, and

flexible, innovative higher education programs, that will enable workers (including those already in quality jobs) to build skills at all ages and throughout their careers, in response to changing demands, today and in the future.

10. <u>Shape how data about workers, the workplace, and labor markets will be used to benefit both workers and employers</u>. Begin by launching a working group of workers, employers, and technologists to identify the most pressing challenges related to data policy and suggest possible pilots or initial work to address them. Issues tackled could include data control and ownership rights of workers, protections and standards around use of data-driven labor management (in hiring, supervising, and managing workers) and risks of bias, new types of 'data work' such as image labelling, data generation *as* work, and open labor market data.

11. <u>Position California to be the leader in human-compatible automation by empowering workers to shape how technology will be deployed in the workplace</u>. Launch a collective of technology companies and worker organizations to operate a lab to develop and test technologies while understanding the implications for workers and employers.

12. <u>Prepare for and adapt to the impact of climate change on work and workers</u>**.** Identify and solve potential risks such as workability and safety challenges due to hazards like heat stress (especially for outdoor and agricultural workers), increased occurrence of natural disasters including forest fires, as well as the industry shifts that will occur as California transitions to a carbon-neutral economy.

D. Address work-adjacent barriers to employment and livelihoods including housing, transportation, and childcare

The commission should acknowledge the importance of these issues for workers - we certainly have heard a lot about these throughout the commission. But the Commission acknowledges the important efforts underway in California to address the need for affordable housing, transportation, and intergenerational care (i.e. child care, family care, elder care) to support the lives of working people. Issues and relevant recommendations are being tackled through other initiatives outside the scope of this Commission.

Additional/alternative recommendations to consider:

i. <u>Launch a Pilot that Bridges Eldercare and Childcare.</u> This could address the increased need for care work with an aging population and include a mechanism that focuses on improving job quality in this sector. Funded through a budget allocation or philanthropic/behested payments.

Mechanism to support further research, progress, and reporting

Establish a mechanism that includes worker organizations and employers who will collaborate to support further research and report on progress towards these recommendations. This mechanism (form TBD) should prioritize collecting and using data, and establishing evidence of what works and what doesn't, to encourage transparency, effectiveness, and accountability. Evidence should be made available to inform policy decisions as well as investments by the State, local government, private investors, non-profit organizations and philanthropists in the future of work.