### 1. In 1-2 sentences, what is your bold vision or moonshot for California?

Create at least 1 million jobs by accelerating the deployment of relatively mature clean energy technologies, including utility-scale wind and solar, residential solar, EVs, batteries, and electric appliances. This would also help achieve the Governor's climate goals.

### 2. What are the 2-3 recommended actions the Governor should embrace to achieve this vision?

- Create a "climate loan" that allows for low-cost financing (4 percent or lower) of these technologies at household level similar to a low-interest home mortgage.
- Lower the soft costs (e.g. installation and permitting) of residential solar to levels achieved in Australia and Germany. Start by identifying a group of mayors willing to work with experts on a redesign of the installation and permitting process.
- Partner with community colleges and other training providers to increase the number of California workers with the necessary skills.
- 3. What is the role for the public sector, the private sector, and workers in achieving this goal? What other stakeholders will need to be involved, and what role will they play?
  - Public sector: lower soft costs of residential solar, create low-interest climate loan.
  - Large employers with goal to become carbon-neutral: jump-start process by launching pilot with employees.
  - Workers: Participate in apprenticeship or "learn and earn" programs that give them the skills they need for deployment of clean energy technologies.

### 4. Has something like this been done elsewhere (e.g. another state, country) or at another time?

Australia and Germany have dramatically lower soft costs for residential solar than the U.S. does.

### 5. How would you measure progress toward each recommendation?

Net increase in clean energy jobs in CA that pay a family-supporting wage.

• Availability of a climate loan that generates \$1,000 - \$2,000 in savings for California households, because energy savings > loan repayment.

For additional details – see Rewiring America plan at <a href="https://www.rewiringamerica.org/handbook">https://www.rewiringamerica.org/handbook</a>



1. In 1-2 sentences, what is your bold vision or moonshot for California?

In 4 years, double the number of undergraduates in California universities who are prepared not just to get a job, but to create jobs through high-growth startups.

- 2. What are the 2-3 recommended actions the Governor should embrace to achieve this vision?
  - Challenge companies and philanthropists to expand university-based entrepreneurship programs that:

Provide experiential entrepreneurship training, building on efforts such as the NSF I Corps program, the lean startup curriculum, and human-centered design

Target participation by women, people of color, and first generation college students.

Provide other services, such as mentoring

Provide funding, particularly at pre-seed and seed level.

- Explore the role of CalPERS and CalSTRS in supporting university-based startups and entrepreneurs
- Use incentive prizes and procurement as a way of getting entrepreneurs to focus on California-specific challenges
- 3. What is the role for the public sector, the private sector, and workers in achieving this goal? What other stakeholders will need to be involved, and what role will they play?
  - Public sector: explore role of public pensions in financing startups (perhaps through "fund of funds"), serve as "early customers" for startups focused on California-specific problems, using procurement and incentive prizes.
  - Philanthropists and companies: expand university-based entrepreneurship programs with emphasis on diversity and inclusion.
- 4. Has something like this been done elsewhere (e.g. another state, country) or at another time?

Bay Area and S. California I Corps program funded by NSF is a good start, but needs to be scaled up.

### 5. How would you measure progress toward each recommendation?

- Number of students at the undergraduate and graduate level participating in entrepreneurship programs, with diversity reflecting student population.
- Number of student-led startups.
- (Long-term) economic impact of startups as measured by revenue, job creation, etc.



### 1. In 1-2 sentences, what is your bold vision or moonshot for California?

Expand the job creation through **entrepreneurship** so that anyone who wants a job can have a job. Public and Private sector can support business owners/entrepreneurs through small business investment through procurement.

### 2. What are the 2-3 recommended actions the Governor should embrace to achieve this vision?

- Partner with higher ed systems to establish entrepreneurship training programs. Leverage existing training programs.
- Partner with business/major corporations to identify a commitment target for procurement spend with small businesses.

# 3. What is the role for the public sector, the private sector, and workers in achieving this goal? What other stakeholders will need to be involved, and what role will they play?

- Public sector: Establishing a commitment target goal for procurement. Establish
  the systems for providing business owners with entrepreneurship training.
- Private sector: Partner with the state to identify a comitment target for supporting entrepreneurship through training and investment through procurement spend.
- Workers: Participate in apprenticeship or business ownership training programs. Establish opportunities for co-ownership.
- Other Stakeholders: Insurance companies, Technical Assistance Centers, Financial Institutions/Other Funding Mechanisms

### 4. Has something like this been done elsewhere (e.g. another state, country) or at another time?

Various aspects exist today; however, it is a decentralized process.

### 5. How would you measure progress toward each recommendation?

- Growth in number of Business Owners/Entrepreneurs
- Growth in Contract Revenues

### 1. In 1-2 sentences, what is your bold vision or moonshot for California?

To advance Californians' economic stability and mobility, create a fund that will make financial and technical assistance investments in the growth and outcomes of mission-oriented businesses, referred to as employment social enterprises, which create jobs, and provide employment, on-the-job training, and specialized supports to people who face high barriers to work. (The majority of employment social enterprise employees are Black (42%) & Latinx (26%) and about 70%+ have a felony on their record; more than half at risk or have been unstably housed.)

To provide the outcomes data that will enable these businesses to maximize their results and enable government and private funders to make decisions based on evidence, the Fund will also invest in the development and implementation of data systems. Outcomes will be determined by the Fund's governing agency, including increases in employment and incomes; growth in living wage jobs and asset building; program costs compared to the results achieved; and increased workforce participation by those who have experienced incarceration, homelessness, and/or other significant barriers to employment.

#### Recommended Actions:

Use new revenues | Use SB 1 transportation funds to create a state subsidized employment program:

- To provide immediate funding for employment programs that will create job opportunities and on-the-job training for those unemployed or underemployed as a result of COVID-19 when it is safe to provide such opportunities, taking into account the need to prevent the spread or recurrence of COVID-19;
- 2. To expand employment programs that prepare and reconnect unemployed and underemployed workers to the workforce;
- 3. To drive economic recovery by allowing for sufficient flexibility for local governments to create or expand programs that aim to fill community-specific workforce gaps and meet employer needs; and
- 4. To prevent long-term joblessness and structural unemployment and provide work opportunities for individuals facing high barriers to employment.

Support small businesses | Provide employer assistance grants to small businesses, nonprofits, and employment social enterprises for:

- 1. <u>Employee Safety:</u> Worker protection, COVID testing, property modifications to comply with safety guidelines and purchase of uncovered PPE needs
- 2. <u>Business Operating Costs:</u> Costs directly related to facilitate a return to business in a pandemic compliant manner, such as additional liability insurance for restaurants that convert to delivery and outside dining, mortgage and rent, payroll expenses, inventory, working capital, and utilities
- Employee Layoff Aversion: Subsidized wages for employees who are substantially dedicated to
  responding to the COVID-19 public health crisis, employee assistance including rental assistance
  for employee and clients, and expenses to allow employees to work remotely/from home
  (remote access equipment such as phones, computers, printers, etc., software and
  corresponding licenses, etc.).
- 4. <u>Child Care:</u> Prioritize funding for childcare for those businesses employing essential workers needing to choose between taking care of their children and safely returning to work.

### Respectfully Submitted October 8, 2020 to the Future of Work Commission Priority Area 2 (Co-leads: Saru Jayaraman and Betty Yee)

Eliminate working poverty: Nearly 45% of the ~7 million Californians in poverty reported living in a family with at least one family member working full time. Working poverty is highest in the service sector and in work-enabling sectors like care work. Moreover, it is highest among Latinos, African Americans, woman-headed households and adults with lower levels of education. Address both work and work-adjacent issues that contribute to working poverty. (Builds upon Rec. #1, and recommendations in D of the interim report.)

#### 10- Year Moonshot:

Reduce working poverty by 100% for workers in the hospitality, retail, care, and gig sectors by 2030.

- o Can practically define working poverty and include work-adjacent issues
- o Can focus on sectors with highest proportion of workers living in poverty
- Can include raising wages, requiring paid sick leave, increasing worker power, incentivizing high-road employers, and bridging income for workers in transition as 3- to 5-year markers
- o Can examine retooling of CalEITC and other programs for these workers

### 3-5 Year Markers:

- 1. Raise wages to at least 75% of an indexed living wage as measured by the MIT living wage calculator for a family unit with one child for 50% of workers in the hospitality, retail, care, and gig industries by 2025.
  - a. Sets a higher minimum wage floor for these workers.
  - b. Presents opportunity to uplift and promote "high road" employers who raise their wages far above the minimum wage and to both incentivize and put pressure on other industry leaders who do not in part by engaging consumers to support "high road" employers and put pressure on "low road" industry leaders
  - c. Eliminates subminimum wages for all workers, including for incarcerated workers and workers with disabilities.
  - d. Focuses on the need for labor enforcement, with full compliance with wage and hour laws as 3- to 5-year markers with a focus on funding worker organizations to conduct enforcement statewide
  - e. Acknowledges necessity for fully-paid government sponsored healthcare

### 2. Build worker power

- a. Create new supports for workers to organize in unions and worker associations
- b. Support worker ownership models
- c. Establish new mechanisms for workplace democracy

### 3. Increase worker resiliency during and through crisis

- a. Extend universal unemployment insurance indefinitely and have it not measured based on prior income (similar to PUA at federal level)
- b. Support reskilling for quality jobs through job training and apprenticeship programs
- c. Further 'high road' employer supports
- d. Advocate for policies that advance full employment

# Issue Area: Worker Benefits/Safety Net DRAFT

Create a 21st century worker benefits model and safety net. The benefits model and safety net must adapt to meet the needs of the labor market today and in the future. Modern challenges include increasing income volatility, expanding and evolving forms of work and work arrangements, aging populations, a growing number of working parents, and workforce disruptions caused by automation, public health crises, and other challenges.

# The purpose of addressing worker benefits and safety net

- Strengthen public support for worker benefits and safety net by demonstrating clearly how they amplify workforce participation and improve economic and social conditions for us all
- Reduce work adjacent issues that create barriers to employment
- Create a more inclusive economy -- greater opportunity for individuals who face employment barriers (justice-involved, homeless, disabled) to join the workforce, and achieve economic mobility and security; greater access for workers without documents
- Provide benefits to more people who have multiple employers, and make it easier to change jobs by complementing employer-provided benefits with benefits not tied to the employer
- Enhance, expand, and simplify benefits so that working people are not living in poverty

# Current Problems to be Addressed DRAFT

- 1. Limited access to benefits. Benefits are pegged to employer and/or employment status which leaves out most of the low wage workforce
- 2. Insufficient supports that exacerbate racial, economic, geographic inequities. Current suite of benefits are inadequate, inequitable especially for low wage workers
- 3. Lack of access. Byzantine processes and rules reduce use by employers and workers
- 4. Working poverty. Benefit and safety net rules fail to maximize employment/incomes
- 5. Political will. Erosion of public support for what is viewed as 'unearned' benefits
- **6. Affordability/feasibility.** Some larger employers do not pay their 'fair share', small businesses can't always afford to pay

# Recommendation Summary/Overview DRAFT

- 1. Reform existing benefits to be more accessible and inclusive
- 2. Expand safety net to improve inclusion, incomes and security for workers
- 3. Transform benefit delivery systems to ensure universality, portability and efficiency

# Moonshot: Worker Benefits/Safety Net DRAFT

By 2030, California will create a benefits system that provides security to workers who currently don't have access due to legal or practical exclusion, in particular those who currently don't have benefits from their employment.

Transforming our benefits system to be more inclusive, effective and efficient would include: creating a pro-rated portable benefits system; building a streamlined platform to facilitate navigation and access; and expanding the suite of benefits currently provided to Californians. (**Details on the next page**)

Impact to be measured: By 2030, the percentage of Californians that access benefits will be twice the number of those who access them today where at least half of them are concentrated among people with low, very low and extremely low incomes.

1	I			
Actionable Policy	Time frame	Approach	Stakeholders	Who gains access
Health insurance	By 2024	Many options on the table now – any path to meet objectives	Multiple, all sectors, requires political will	Workers w/ multiple employers, independent contractors, part time workers, cash-based workers
Pension/retirement	By 2030	Many options on the table – any path to meet objectives	Multiple, all sectors, requires political will	Ditto
Paid time off/family leave	By 2021	Create a portable benefits system to administer PTO for non-traditional workforces. Mandate 2 week PTO for all workers pro-rated for part-time and portable for multiple employers; expand family leave to permit care for children/elders impacted by COVID	Same as above	Ditto
Paid training/clear credit records	By 2021	Provide subsidies and tax incentives <b>to pay</b> low wage workers to train for indemand jobs; clear credit (justice-involved esp.); increase employer use of work opportunity tax credit; diversify apprenticeship/pre-apprenticeship programs in partnership with employers and community based workforce training programs; SSI/SSP improved work incentives	Pay to train: IACA, ETP, UI, philanthropy, WIOA; credit clearance: legal, financial	Ditto and people exiting legal system; people who have been homeless; young adults (opportunity youth)
Unemployment Insurance	By 2025	Permit use of UI to pay while training; encourage work-sharing; continued eligibility for groups covered during pandemic	Labor Agency	Workers unemployed due to structural changes
EITC	By 2022	Increase CALEITC and federal EITC for singles and 1 child families; eligibility for workers without documentation	Governor; State advocacy w/ feds	Single adults and 1 child families
Affordable housing	By 2030	Subsidize rents and development to double # w/ access; provide flexible subsidies for those training/working; encourage employers to subsidize housing for low wage workers	Multiple, all sectors	People who are homeless, or at risk
Childcare/elder care	By 2022	Increase investment in Medicaid to increase services (and job quality/wages); Create LTSS program for those who aren't eligible for Medicaid; Create a universal 0-5 year child care program; encourage Congress to pass recovery and stimulus package w/ \$ for states' childcare; expedite expansion of parent communication portal on child care availability	State legislature, Congress, employers	Low income parents
Healthy food	By 2021	Increase funding/support to foodbanks and for food delivery programs for low income people; and support initiatives to bring healthy food from small farmers to low income communities like "Growing the Table"	Philanthropy, foodbanks, SDSS, social enterprises, small farmers	Low wages workers, unemployed, etc.

# The Rocket Every moonshot requires a rocket – the vehicle to get there DRAFT

### Streamlined/equitable access to benefits

By 2024, the Administration, local governments and third party vendors (like Code for America) should transform the way benefits eligibility (unemployment insurance, Medicaid, SSI/SSDI, SNAP, family leave, the EITC, affordable housing) is assessed, administered and provided through streamlined and centralized on-line system(s) that adapt efficiently to changed income circumstances and are available and accessible to all workers in all geographies

### Portable benefits for 'non-traditional' workers

The Administration, legislature and local governments should support development of a **portable benefits platform** like Alia; experiment/pilot with domestic workers and with other platforms accessible to low income worker sectors that lack benefits by 2021; develop mandate for **employer contributions** to benefits

Regional associations & the Administration to engage employers to increase use of work opportunity tax credit; encourage provision of housing assistance

### Inclusive economy for those underemployed/unemployed

- The State Department of Social Services and county human services agencies should encourage/market/pilot use of CFET by third parties
- The Treasurer should institute auto-filing and monthly payments of EITC for low wage workers; legislature and Governor should expand the EITC
- The Governor and legislature should support substantial investments in housing subsidies and development subsidies
- State Department of Rehabilitation should pilot SSI/SSP initiatives to increase use of work incentives
- Parole/probation and community-based organizations to clear credit/criminal records
- Regional/state business associations, and the State's homelessness and criminal justice reform programs should encourage employers to set objectives for and implement more inclusive hiring (of people with criminal records, people who have been homeless, et. al.) and paid training

# Implementation: Financing DRAFT

- 1. Budget re-allocation
- Tax levies
  - Millionaire tax/billionaire tax look at CA Mental Health Services Act
  - Property tax (prop 13 commercial repeal)
  - Payroll tax
- 3. Create public-private 'worker supports' fund with contributions from State, federal government, philanthropy, employers (companies and individuals)

# Measuring Progress DRAFT

- By 2030, the percentage of Californians that *actually access* the following benefits is twice the number of those with access to these benefits now. At least half of those gains are concentrated among people with the lowest incomes.
  - Establish baseline (Department of Finance?)
  - Measure annually, report change, report on obstacles/recommendations
  - Specify extent to which benefits accessed by those coming home from incarceration or homelessness
- At least half of those gains are in pro-rated portable benefits that are tied to the individual and delinked (in terms of administration) from full time work, and from work for a single employer
  - Establish baseline (Department of Finance plus EDD through UI/tax data?)

# For Discussion with Full Commission DRAFT

- Is this the right moonshot?
- What are the most urgent/actionable steps?

#### The California Job Quality Index and Job Quality Incubator

### 1. In 1-2 sentences, what is your bold vision or moonshot for California?

All Californians benefit when there are good jobs, directly through better wages and benefits and indirectly through sustainable economic growth and stronger communities. This year the COVID-19 crisis delivered a devastating shock to California workers, but even prior to the COVID-19 crisis our state, like rest of the nation, faced a labor market paradox: declining unemployment rates coupled with weak wage growth, resulting in crisis of declining job quality.

Our moonshot goal is to reverse the trend of declining job quality, and by 2030 create 1.5 high quality jobs for every 1 low quality job.

### 2. What are the 2-3 recommended actions the Governor should embrace to achieve this vision?

In order to take concrete action toward this goal we propose that the state of California implement the following two related initiatives: the launch of the California Job Quality Index and the California Job Quality Incubator.

1) The California Job Quality Index: During 2021, the state should create *The California Job Quality Index* (JQI) which will be initially based on an analysis of monthly wage data from the Bureau of Labor Statistics (BLS), and modeled after the The U.S. Private Sector Job Quality Index produced by the Cornell Law School. Particular attention will be paid to the relationship between job quality and the racial and gender disparities of the workforce.

The CA JQI will be published on a monthly basis by the CA Labor & Workforce Development Agency, in collaboration with The Governor's Office of Business and Economic Development. Detailed market and industry sector analyses will be conducted to identify areas where quality job creation is exists (or does not exist) in order to target incentives and supports to achieve the goal of increasing the number of high quality jobs in CA (see recommendation #2 below). Additionally, the CA JQI should incorporate metropolitan area living wage threshold screens, utilizing tools like the MIT Living Wage Calculator.

Twice a year the Labor & Workforce Development Agency and the Governor's Office of Business and Economic Development will convene a forum with a range of stakeholders (business leaders, unions and worker organizations, policy makers and academics, and workers themselves) to review recent trends in

While the JQI proxy for job quality (weekly earnings) has the advantage of combining both the rate of hourly pay and the weekly hours worked—thereby measuring two critical drivers of worker income and addressing workers' "basic needs"—it does not capture other important elements of job quality such as healthcare, retirement, or other benefits; it does not measure scheduling stability or predictability, workplace safety, or career advancement opportunities. Finally, the JQI does not capture qualitative job features that address workers' "higher needs," such as belonging and recognition, that correlate with job satisfaction. We intend that these important indicators can and will be reviewed in the context of ongoing trends and relative JQI performance.

the CA JQI and consider steps California can take to incubate more quality jobs (see recommendation #2 below).

Areas to be refined: currently the Cornell JQI analyzes weekly earnings of private sector production & nonsupervisory workers (P&NS) but we intend that the state of California's State of Job Quality Index report will include public sector job data & alternative work arrangement data (as available).

2) The California Job Quality Incubator: based on the California JQI, and other inputs, the state will identify key areas of the labor market (industries, occupations, regions), as well as racial and gender disparities within these areas, where outperformance and underperformance exist. The Incubator, which will be made up of government and stakeholder representatives in coordination with the JQI process, will then call for the deployment of a range of policy tools and resources toward the goals of improving job quality where JQI scores are low, and expanding the number of high scoring JQI jobs. The state of California has significant tools and resources it can deploy in the effort to achieve these goals, as it links state spending to high quality job creation with accountability and transparency. Billions of dollars in state procurement contracts, tax expenditures and workforce development funding are among the important levers the state of California can utilize in this effort.<sup>2</sup>

These resources will be important as the state seeks to assist a range of stakeholders, and undertaking its own initiatives, to increase the number and share of quality jobs. While not an exhaustive list, important stakeholder partnerships will include:

- The many public, private and nonprofit initiatives are currently focused on enhancing the
  quality of jobs in California and elsewhere; examples include the New World Foundation's
  Quality Jobs Fund, MIT's Good jobs institute, and the state of California's High Road Training
  Partnerships.
- <u>Unions</u> & worker organizations engaging in advocacy and collective bargaining, which have been shown to <u>increase wages</u> and productivity, both <u>in the U.S</u>. and <u>globally</u>, as well as raising wages for workers generally and significantly <u>reducing racial and gender pay gaps</u>.
- Business and industry groups committed to the goal of improving job quality.
- <u>Strategic enforcement</u> in partnership with worker advocates where low job quality is associated with violations of labor and employment laws, health and safety laws, or other legal standards.

<sup>&</sup>lt;sup>2</sup> In January of this year the California State Controller's office conducted an analysis of state contracting, and found that in State Fiscal Year 2018-19 California purchased over \$8.6 billion in market goods and services. In addition, the controller's office noted that the State Department of Finance determined the value of the state's tax expenditures to private companies operating in California to be approximately \$5.7 billion for the Fiscal Year 2019-2020, and observed that through these dollars of taxpayer money directly benefit private employers in the state and then posed a series of questions regarding whether these firms should be "required, or at least evaluated on, their commitment to train, retrain or offer advancement opportunities to their employees."

3. What is the role for the public sector, the private sector, and workers in achieving this goal? What other stakeholders will need to be involved, and what role will they play?					
Forums hosted by Labor Agency with representation by all above mentioned stakeholders will be critical opportunities for stakeholder involvement.					
4. Has something like this been done elsewhere (e.g. another state, country) or at another time?					
To our knowledge California's Jobs Quality Index will be the first of its kind at the state level, though we will benefit from the experience of the Cornell JQI and other national initiatives.					
5. How would you measure progress toward each recommendation?					
The JQI itself is the measure, and we can identify specific benchmarks as these initiatives are refined.					

### **California Future of Work Commission**

### **Priority Area #5**

What follows has two parts. The first part of this document is focused on our proposal for Priority Area #5. In thinking about Priority Area #5, it occurred to us that a Jobs Guarantee could be an umbrella theme that could help the Commission meet the objectives of multiple Priority Areas. In the second part of this document, we outline our thinking around this umbrella theme of a Jobs Guarantee.

## A. Priority Area #5: Future-proof California with jobs and skills to prepare for technology, climate, and other shocks

### 1. In 1-2 sentences, what is your bold vision or moonshot for California?

By 2030, California will guarantee workers a job in a 'future job'.

By 2030, all California workers will have access to the skills necessary to work in a 'future job'.

We define a 'future job' to mean a job created to meet California's future priorities. For example, 'future jobs' may be:

- Created through technology adoption
- Created as we adapt to climate change
- Created to support the health of our population
- Created in response to other future shocks (e.g., future pandemic)

### 2. What are the 2-3 recommended actions the Governor should embrace to achieve this vision?

Achieving this vision requires ensuring both demand (i.e., there is a 'future job' available to all Californians who need one) and supply (i.e., workers have access to the skills necessary to work in a 'future job') in the labor market. There are three components to our proposed vision:

- (a) California ensures that jobs are quality and resilient for the future. California should establish criteria to designate a 'future job' (e.g., based on California's priorities and future shocks). California should re-evaluate its 'future job' criteria every 2 years. An initial hypothesis of job areas that meet this criteria may include:
  - STEM occupations, to enable a technology-driven future and further basic science research
  - o Green energy occupations, to enable California's transition to a clean energy future
  - Disaster relief occupations, to prepare California for future disasters such as wildfires, pandemics, etc. including those driven by climate change
  - Health and care-related occupations, to care for an aging population
  - Agricultural occupations, to ensure food security

(b) California incentivizes the creation of 'future jobs' in the private sector, and then be the backstop if necessary. To illustrate, the guarantee for 'future jobs' would be executed as follows:

Jobs Guarantee Example	Order	Government role	Private sector role
	#1	None	Primary employer
	#2	Tax incentives to private sector to support employment	Primary employer
	#3	Backstop employer to ensure sufficient demand for quality work in CA's 'future jobs'	Primary employer

- (c) California calls on the private sector to ensure the creation of 'future jobs' and to ensure that workers are equipped with the skills to access 'future jobs'.
  - California should provide incentives for the private sector to orient its job creation for 'future jobs'
  - California should provide incentives for the private to invest in its workers and encourage apprenticeship and reskilling

### 3. What is the role for the public sector, the private sector, and workers in achieving this goal? What other stakeholders will need to be involved, and what role will they play?

- Public sector, three roles include:
  - Set the criteria, framework and policies for 'future jobs':
    - Define the criteria for a California 'future job' in collaboration with the private sector and workers
    - Collaborate with private sector and other institutions to create pathways to prepare workers for 'future jobs'
  - Create 'future jobs' as an employer:
    - While the private sector is the primary employer for 'future jobs', California would serve as the backstop if necessary
  - Drive demand for 'future jobs':
    - Provide funding and/or incentives for 'future job' creation in the private sector
    - Finance or sponsor initiatives (e.g., infrastructure)

- Private sector, three roles include:
  - o Offer opportunities for work in 'future jobs'
  - o Invest in worker training and upskilling to ready workers for 'future jobs'
  - Collaborate with workers and worker advocacy groups to ensure that technology adopted in the workplace is used in ways that both benefits employers and complements and supports workers

### Educational and vocational training institutions:

o Run and scale training programs that prepare workers for 'future jobs'

### Worker advocacy groups:

- Provide inputs to California's 'future jobs' criteria
- Collaborate with private sector to ensure technology adopted in the workplace complements workers

### <u>4. Has something like this been done elsewhere (e.g. another state, country) or at another time?</u>

Multiple pieces of our vision have been done in the past. For example, governments have served in all three of the roles that we proposed above – as acting as a policymaker, an employer, and the simulator of jobs demand.

More details to come on examples relevant to the proposed roles for government, private sector, training institutions, and worker advocacy groups.

### 5. How would you measure progress toward each recommendation?

### We propose measuring progress towards our vision at three points in time:

- In the first measurement (in ~2 years) we would assess whether the inputs are established (e.g., whether the 'future jobs' criteria is defined, whether incentives for the private sector to create 'future jobs' and invest in worker skills are established).
- In the second measurement (in ~5-6 years) we would assess the results to date.
- In the third measurement (in 10 years) we would again assess the results to date, which should be the achievement of our 2030 vision.

### We propose leveraging the following metrics:

- % of workers in California that are equipped (have the relevant skills) to work in 'future jobs'
- % of workers in California that are in California 'future jobs'

### B. Umbrella theme: Jobs Guarantee

In thinking about Priority Area #5, it occurred to us that the notion of a Jobs Guarantee could be an umbrella recommendation that could help the Commission meet the objectives of multiple Priority Areas.

We propose that the Commission recommend that California calls on the Federal Government to create a jobs guarantee. This proposal would help meet the objectives of Priority Areas #1, #4 and #5, and could be a 'signature recommendation' for the Commission to put forward.

### The bold 'moonshot' vision for California could be:

By 2030, all Californian workers are guaranteed access to a quality job.

### Examples of jobs guarantee programs at other points in time:

These examples show the different, but not mutually exclusive, ways government can implement a job guarantee program:

- (a) Government can directly employee individuals (e.g., 1935 Works Progress Administration and 1973 Comprehensive Employment and Training Act)
- **(b)** Government can subsidize roles across the private sector, non-profits and local governments (e.g., 2009 Assistance for Needy Families Emergency Fund)
- (c) Government can incentivize the private sector to recruit and retain workers (e.g., 1935 Works Progress Administration and 1973 Comprehensive Employment and Training Act)

#### **Examples:**

- 1935: The Works Progress Administration (WPA) was an American New Deal agency, employing millions of job-seekers (mostly unskilled men) to carry out public works projects, including the construction of public buildings and roads.
  - In 1935, the Emergency Relief Appropriations Act granted the president's request for \$4.8 billion to fund the WPA, the largest relief program in American history.
  - The WPA put 8.5 million Americans back to work.
  - Through the WPA, ~300 types of work projects were approved. The majority of projects built infrastructure, such as bridges, airports, schools, parks, and water lines
  - The WPA employed people directly. A typical project began at the local level, with city and county governments assessing their needs and unemployment numbers. Proposals were then sent to a WPA state office for vetting before being forwarded to headquarters in Washington, D.C. and, finally, to the president for final approval. Projects could be rejected anywhere along this three-step process, and were not imposed on local communities by the Federal government. Normally, localities had to provide about 12-25% to trigger federal funding of WPA project.
  - Criticism: Some politicians criticized the WPA for its inefficiencies. WPA construction projects sometimes ran 3-4x the cost of private work. Some of this was intentional.

The WPA avoided cost-saving technologies and machinery in order to hire more workers.

- Unions protested the WPA for its refusal to pay wages as high as those in the private sector.
- 1973: The Nixon-era Comprehensive Employment and Training Act provided jobs to the unemployed during the 1970s
  - o Criticism: Local governments ended up siphoning funds to cover their payrolls).
- 2009: Assistance for Needy Families Emergency Fund, or TANF-EF, gave money to the states to <u>subsidize hundreds of thousands</u> of positions, and fast, while the government also expanded infrastructure investment to soak up laid-off construction workers
  - A key feature of the TANF EF was its flexibility: states decided how best to use the funds to serve families in need, such as how best to structure their subsidized employment programs.



### [Background notes on current metrics to assess progress towards 'future jobs']

### From 2015-2019:

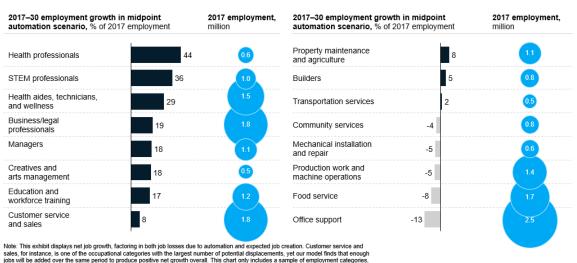
- 76% of California's workforce was in an occupation growing >0% per year
- 32% of California's workforce was in an occupation growing >5% per year
- 12% of California's workforce was in an occupation growing >10% per year

MGI projections on job growth / decline to 2030:



Pre-COVID projections

### In California, health and STEM occupations could post rapid growth while office support, food service, and production jobs could decline



Note: This exhibit displays net job growth, factoring in both job losses due to automation and expected job creation. Customer service and sales, for instance, is one of the occupational categories with the largest number of potential displacements, yet our model finds that enough jobs will be added over the same period to produce positive net growth overall. This chart only includes a sample of employment categories, and reflects a midpoint adoption scenario and is not intended to be a forecast.

Source: The future of work in America: People and places, today and tomorrow (McKinsey Global Institute, 2019)

McKinsey & Company

