

# Working Session

## CALIFORNIA FUTURE OF WORK COMMISSION

September 16, 2020



# Convening 9: Working session

- 11:00a Welcome & Opening
- 11:15a Overview of proposed path forward: A Social Compact for Work in California

## *Priority Recommendation Areas:*

- 11:40a 2. Eliminate working poverty
- 12:00p 3. Create a 21<sup>st</sup> century worker benefits model & safety net
- 12:20p 4. Raise the standard & share of quality jobs
- 12:40p 5. Future-proof CA with jobs and skills to prepare for tech/climate/shocks
- 1:00p 1. Ensure there are jobs for everyone who wants to work
- 1:20p Next Steps
- 1:35p Public Comment

# A Social Compact for Work in California

The Social Compact should include:

- a. Key principles that all participants in the social compact should live up to
  - State, employers, workers, education/training institutions, entrepreneurs, investors, non-profits
- b. Centerpiece priorities with clear & measurable moonshot goals
- c. Design of actions/programs/legislation/initiatives to uphold the *principles* in (a) and achieve the moonshot *goals* in (b)

# A Social Compact for Work in California

## Key defining principles:

1. Promote equity of people and place.
2. Empower workers and rebalance power with employers.
3. Harness the full capabilities of all stakeholders in the Social Compact.
4. Be forward-looking.

# A Social Compact for Work in California

## Centerpiece priorities (w/ moonshot goals for next 3-5 years):

1. Ensure there are jobs for everyone who wants to work.
2. Eliminate working poverty.
3. Create a 21<sup>st</sup> century worker benefits model and safety net.
4. Raise the standard and share of quality jobs.
5. Future-proof California with jobs and skills to prepare for technology, climate, and other shocks.

# A Social Compact for Work in California

## Next Steps: Commissioner Co-Leads

1. Ensure there are jobs for everyone who wants to work. – *Maria Salinas & Tom Kalil*
2. Eliminate working poverty. – *Betty Yee & Saru Jayaraman*
3. Create a 21<sup>st</sup> century worker benefits model and safety net. – *Carla Javits & Mariana Viturro*
4. Raise the standard and share of quality jobs. – *Lance Hastings & John Marshall*
5. Future-proof California with jobs and skills to prepare for technology, climate, and other shocks. – *Roy Bahat & James Manyika*

# PUBLIC COMMENT

For the opportunity to personally add a comment during the public comment portion of the convening, please send a message indicating your interest via email to **CAFutureofWork@gmail.com**. This email address will be monitored throughout the convening.

# Priority Recommendation Area #2:

## Eliminate working poverty



# Priority Recommendation Area #3:

Create a 21<sup>st</sup> century worker benefits model  
& safety net



# Issue Area: Worker Benefits/Safety Net

**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.

# Problem: Worker Benefits/Safety Net

1. Benefits are tied to employer and/or employment status.
2. Current suite of benefits are inadequate and inequitable.

# Solutions: Worker Benefits/Safety Net

1. Expand existing safety net: healthcare, childcare, eldercare, UBI, training, housing, others?
2. Reform existing benefits to be more accessible and inclusive: UI, SSDI, SSI, EITC, paid leave, others?
3. Transform benefit (administration, delivery) systems to ensure universality, portability and efficiency

# Guiding Questions

1. What are the potential financing sources?
2. Who administers and delivers the benefits?
3. What is the role of the employer, worker organization and/or government?
4. What is the impact on raising standards and income, workforce participation and worker empowerment, especially on workers with very low incomes?
5. How feasible is adoption or implementation of the recommendation?
6. What is the timeframe for achieving impact?

# Preliminary Moonshot Ideas

Universal benefits (health care, pension, paid time off, child care, long term care, basic income) that are portable, tied to individuals, and delinked from full-time work for a single employer.

Transform the way benefits are assessed, administered and provided through streamlined and centralized on-line system (with navigation support via libraries, schools, worker or community orgs) that adapts efficiently to changing income circumstances and is tied to the tax system (CA spends about \$3B a year on administrative costs of benefits determination)

[Potential partner: [Code for America](#) - could be a good partner in rehauling entire system]

# Preliminary ideas: Pilot programs

- Support local pilot programs to provide universal benefits: basic income, child care, health care, or long-term care
- Support portable benefit pilots to provide pro-rated and portable benefits (like paid time off) to part-time workers, workers with multiple employers and others excluded from benefits

# Preliminary ideas: Paid Family Leave

- Raise family paid leave payment rates to ensure all workers are able to utilize the program.

# Preliminary ideas: Unemployment insurance

- Establish more flexible eligibility requirements so that intermittent workers can access support.
- Encourage employers to use work sharing
- Expand use of UI to pay people while in training; and to subsidize apprenticeship programs to ensure participants are paid

# Preliminary Ideas: SSDI

- Replace the complex, confusing set of work promotion features in the current program with individualized assessments.
- Create a parallel system of partial disability benefits, allowing receipt of assistance while remaining in the labor force.
  - Make Medicare available to align incentives correctly and permit regular access to care.

# Preliminary Ideas: SSI

- Advocate the federal government reduce the implicit tax rate on earnings (benefits are cut \$0.50 for every \$1 earned) and expand earnings deductions
- Guarantee Medicaid coverage for a grace period if individuals leave
- Provide upfront assistance to reduce skill atrophy that comes from long waits for an acceptance decision and to encourage return to work based on the nature of the impairment
- Increase benefits by \$100/month to bring them to the federal poverty line

# Preliminary Ideas: Earned Income Tax Credit

- CA recently instituted a progressive EITC and Young Child Tax Credit. The 2020 budget provides for inclusion of immigrant families
- Adjust the amount of the credit to account for wage stagnation and rising inequality.
- Advocate that the federal government adjust the amount of the credit upward; increase the credit for both childless and one-child families (includes formerly incarcerated people who receive little other assistance); expand the credit to workers ages 18-24
- Expand free filing of returns by the IRS
- Pilot delivery of the credit throughout the calendar year (e.g. pay monthly); establish auto-filing of EITC and expand free filing of returns by the IRS

# Preliminary Ideas: Training Supports

Interagency Advisory Committee on Apprenticeship (IACA) should make it easier for more businesses to adopt apprenticeship and other forms of work-based learning in new industries and expand these programs to more workers.

- Create more flexibility, and reward successful placement and training; explore new forms of paid work-based learning.
- For pre-apprenticeship, tap into infrastructure of community-based organizations serving underrepresented communities
- Train a diverse set of workers to build/maintain the next generation of infrastructure and to address climate change.
- Create a simple, easy-to-access financial guarantee for workers dislocated by trade or automation to afford upskilling or a postsecondary credential/degree; accompanied by career navigation assistance

# Preliminary Ideas: Training supports

Provide a Fund/dedicated resources to cover the non-training costs (living costs) of employment-related education and training

- Increase access to the Cal Grant B Entitlement award for low-income students who are pursuing short-term career and technical education certificates and by increasing the number and size of Cal Grant B competitive awards.
- California should preserve access to Cal Grants under its 2011 Dream Act.

# Preliminary Ideas: Coming Home

- For people who are returning home from incarceration and who have been homeless
  - Provide free credit repair services
  - Reduce the number of years a criminal record shows up on credit reports
  - Fund a portion of victims' compensation from the General Fund
  - Reduce from 10 years the waiting time for a new CDL following revocation
  - Establish employment objectives for targeted State-funded programs
  - Provide subsidies/invest in deeply affordable housing

# Preliminary Ideas: TANF and CALFRESH

Transform the work requirement programs to a more outcomes-based system that focuses on long-term employment and earnings outcomes -- job ladders and not one-off dead end jobs,

- Engage all work-eligible individuals in work-related activities within 24 months of first receipt.
- Place a floor on fraction of funds devoted to core activities like cash assistance, work supports, and related supportive services (at least 25%)
- Allow parents 60 months for cash support
- Allow parents a more realistic time period than 24 months to address barriers and improve skills,
- Incent and support programs to increase use of CFET (CA Foodstamps Education and Training) by third party providers like employment social enterprises and other employment training providers

# Preliminary Ideas Childcare

- Advocate to make Head Start eligible to all children under age five living in low-income families
- Advocate to make the federal CDCTC credit refundable, more progressive, and more targeted on low-income families
- Develop a new system that provides more and better information on child care quality ratings, with information on the differential effects of alternative care choices on child development.
- When establishing subsidy levels, balance living wages for childcare workers with numbers of children served

# Discussion

- Which of these areas of reform are the highest priority?
- What recommendations/ideas are missing?

# Priority Recommendation Area #4:

## Raise the standard & share of quality jobs



# Priority Recommendation Area #5:

Future-proof CA with jobs & skills to  
prepare for tech/climate/shocks



## Priority area #5

### **Future-proof California with jobs and skills to prepare for technology, climate, and other shocks.**

Californian workers must be positioned to benefit from future opportunities while being protected from future risks, including: Supporting workers build new skills and access quality jobs as technology and the economy evolves; Positioning California as a leader in responsibly managing data about labor markets and the workplace to benefit workers and meet the needs of employers, and a leader in deploying human-compatible technology in the workplace; Preparing for and adapt to the impact of public health emergencies, climate change, and natural disasters.

**We believe this priority area must solve for two distinct components:**

1. **California should prepare for the next set of externalities** impacting the state, now and in the future, such as climate change, forest fires, and pandemics.
2. **California should prepare for the future of technology**, including the impact of technology on automation and jobs, a workplace in which more people work alongside machines, and growing generation and use of data in the workplace.

## Priority area #5

### Future-proof California with jobs and skills to prepare for technology, climate, and other shocks.

#### Proposed objectives:

- By 2030, X% of California's workforce is in 'growing' occupations – occupations with increased demand, driven by external trends (e.g., aging population) or public/private investment to accelerate job growth in priority areas (e.g., climate adaptation).
- By 2030, X% of Californians are confident they are equipped with the relevant skills to access meaningful, secure, and dignified work in the future economy and environment.

# Priority Recommendation Area #1:

Ensure there are jobs for everyone who wants to work



# Next Steps



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