CALIFORNIA ECONOMIC SUMMIT

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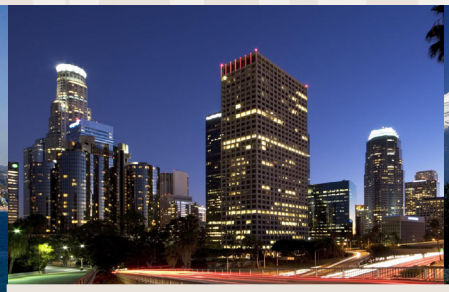

CALIFORNIA ECONOMIC SUMMIT

NOVEMBER 7-8, 2013
LOS ANGELES

SUMMIT PLAYBOOK

Created by California's Regions Committed to Advancing the Triple Bottom Line

PREAMBLE: CONNECTING THE TWO CALIFORNIAS

Traffic may be returning to the Bay Area's freeways, tourism may be on the rise in Los Angeles, state budget revenues may even be climbing again—all good signs that the state's economy is getting back on its feet. In the last year, over a quarter-million jobs have been created in California, more than any other state. As big as California's economy is—if it were a country, it would be the eighth largest in the world—the state's economic growth rate, with jobs roaring back in some cities, is still one of the top five in the nation, surpassed mainly by states enjoying oil and natural-gas booms.

While this is certainly cause to celebrate, California's economic recovery is being experienced differently—and unevenly—across the state. The four-million people living in the Inland Empire, only 60 miles east of Hollywood, still face unemployment levels rivaling Detroit's. The agricultural regions of the state's Central Valley, where only one in 15 adults in some areas have college degrees, are struggling to find even the beginning of a pathway to prosperity. Nearly a third of residents in cities like East Palo Alto, meanwhile, are living in poverty, only a few minutes' drive from the headquarters of Facebook.

This is the story of two Californias, one coastal and one inland, one rich and one poor, with the middle class increasingly squeezed in between. As California looks ahead at what it must do to thrive in the century to come—from developing a skilled workforce to investing in an infrastructure system that meets the needs of a growing population—this yawning disparity may be the state's preeminent challenge.

While a strong economy is critical to closing this gap, economic growth alone is not sufficient. Inclusive prosperity—opportunity that extends to all Californians both now and in the future—requires a focus on the triple bottom line: simultaneously advancing economic growth, environmental quality, and social equity in all regions of California.

This is the work of the California Economic Summit.

Some have argued that the starkly different economic realities facing California are the "new normal," an unfortunate consequence of global economic forces and changing demographics. The California Economic Summit strongly rejects this idea, bringing together regional champions from San Diego to the Redwood Coast who are committed to creating a statewide economic vitality strategy that connects the two Californias—and focuses the state's resources on rebuilding a strong middle class.

As it did last year, the Summit is tapping into California's most vital resource—its people—to identify shared problems and to develop a shared agenda that will lay the foundation for a future of well-paying jobs, a sustainable environment, and equal opportunities for every Californian.

To get there, the Summit continues to rely on the endless creativity of Californians, who have come together to solve problems so many times before. Through the Summit, Californians can do it again—and find a way, together, to thrive.

SUMMIT LEADERSHIP

HONORARY CHAIRS

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Stanford University

Leon Panetta
The Panetta Institute for
Public Policy

CO-CHAIRS

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AT&T

Automobile Club of Southern California

Chevron

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REGIONAL FORUM UNDERWRITERS

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SPONSORING ORGANIZATIONS

Applied Materials

Bridgepoint Education

Half Moon Bay Brewing Company

NON-PROFIT SPONSORS

California Emerging Technology Fund

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The Nature Conservancy

HOW TO USE THIS PLAYBOOK

1

Learn how the California Economic Summit advances regions-driven solutions that promote economic, social, and environmental progress throughout California.

The first section (**pp. 6-13**) provides background on the process, guiding principles, desired outcomes, and accomplishments to date of the California Economic Summit.

2

Prepare for the Summit by reviewing Action Plans and considering what, how, and who is needed to implement the Plan.

Action Team members have worked over the past several months to identify specific objectives and implementation actions to move each initiative forward (**pp. 17-46**). Now, at the Summit, we ask for your help in developing an implementation strategy and committing to champion specific implementation steps.

Pages 14-16 describe your role in developing an implementation plan and making specific commitments to advance Summit initiatives. Review the instructions for the interactive sessions at the Summit and then review the Action Plan summaries, considering:

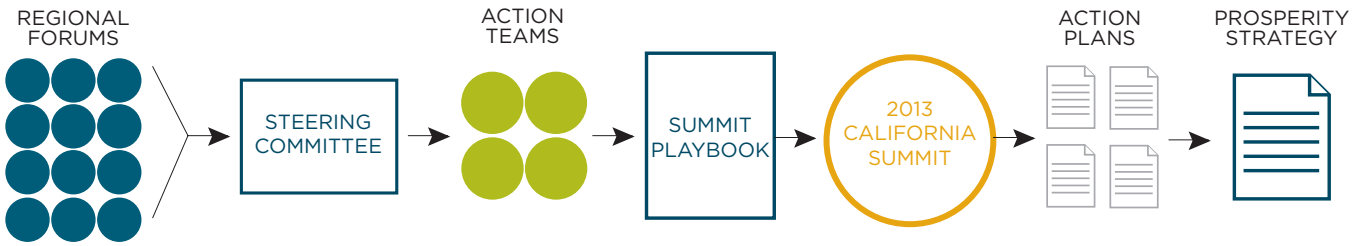
- How to strengthen the Plan
- What you can do to help

2013 SUMMIT

ROAD TO THE 2013 SUMMIT

Building on the accomplishments of the first-ever 2012 Economic Summit, seven Action Teams convened this year to address priorities that regions across the state identified as critical to promoting triple-bottom-line prosperity in California.

The Summit Playbook presents the work of these Action Teams: seven initiatives that provide a roadmap for creating jobs and improving competitiveness in California. These initiatives were identified and developed through a collaborative process that engaged over 1,700 business, government, nonprofit, and civic leaders at 16 Regional Forums held around the state. In fall of 2013, Action Teams convened to develop concrete plans to advance widely shared regional priorities. (See Summit Process diagram below).



Action Team members—who, like participants in Regional Forums, include business, environmental, labor, government, and nonprofit leaders committed to a triple-bottom-line approach—have worked over the past several months to identify specific objectives and implementation steps to move each initiative forward. Now, at the California Economic Summit, we ask for your help in developing an implementation strategy and committing to champion specific implementation steps.

SUMMIT OUTCOMES PROMOTING TRIPLE-BOTTOM-LINE PROSPERITY

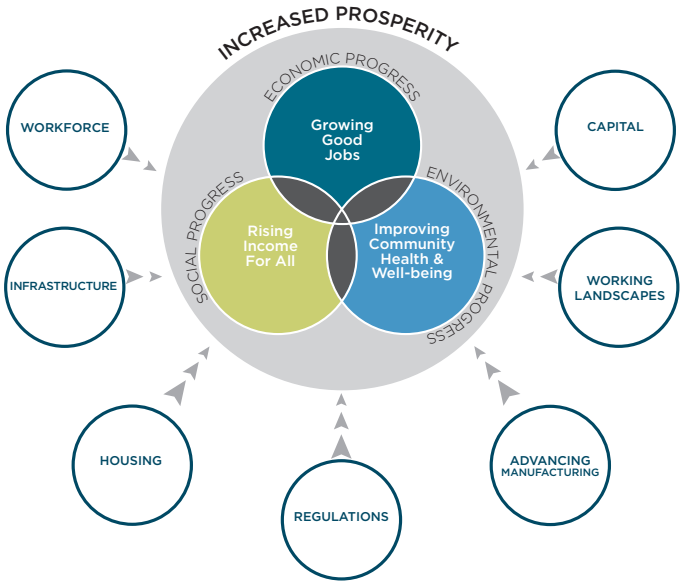
The California Economic Summit is a regions-driven, nonpartisan effort to advance economic, social, and environmental progress throughout the state. Aligning regional leaders around shared priorities, the Summit advances an agenda to improve California's competitiveness and long-term quality of life.

Ultimately, Summit initiatives help California:

Grow Good Jobs
Good jobs offer opportunity for upward mobility.

Increase Personal Income for All
Rising incomes for all Californians demonstrates that prosperity is widely shared.

Improve Community Health and Well-Being in Every Region Across the State
Community health includes quality of place, health, and environment. Maintaining and enhancing the productivity of natural resources—both as ecosystems and economic drivers—is key to upholdinging California's vitality now and in the future.



SUMMIT INITIATIVES

The Summit initiatives, described below, are mutually reinforcing investments that underpin triple-bottom-line prosperity.

Workforce: To meet the demands of an evolving economy, one of the state's biggest challenges is preparing skilled workers for high-priority, well-paying jobs. The 2012 Action Team focused on promoting partnerships between existing workforce training programs and regional industries—supporting the passage of several key pieces of legislation and state actions promoting regional partnerships. This year's Action Team has focused on expanding career-technical education in high-demand fields—especially science, technology, engineering, and mathematics (STEM) fields.

Infrastructure: Getting workers to and from these jobs—and ensuring the state's water, transportation, and broadband infrastructure has the capacity to handle a growing population—is a critical component of California's long-term economic success. The 2013 Infrastructure Action Team has expanded on last year's Summit proposals, proposing a comprehensive infrastructure investment strategy for the state—one that focuses on looming funding shortfalls facing the state's transportation and water systems, in particular.

Advancing Manufacturing: Though manufacturing has long been a cornerstone of the state's economy, California lacks a statewide strategy either for connecting large and small manufacturers with regional workforce pipelines—or for promoting exports and investments in fast-growing manufacturing sectors. The Action Team proposes to do both, promoting a statewide campaign

to raise awareness about manufacturing, while also seeking ways to make the state's regulations a competitive advantage for manufacturers.

Regulations: California has a reputation as a complicated place to do business—with uncertainty about everything from the state's environmental rules to the process businesses must go through to get a permit. Last year, the Summit focused on legislation requiring a regulatory-impact analysis of any major new regulation, while pushing for a statewide conversation about updating the California Environmental Quality Act (CEQA). To advance manufacturing and other growth industries, this year's Action Team has proposed working with the Governor's office to ensure a small group of targeted regulations are streamlined and modernized.

Capital: To drive investment in local economies, businesses and entrepreneurs must have access to capital. The 2012 Action Team worked closely with the California Financial Opportunities Roundtable, a group of statewide leaders from financial institutions, economic development organizations, and government agencies, to produce an "Access to Capital" guidebook that serves as a one-stop resource for anyone seeking capital. This year, the team is focused on identifying examples of capital intermediaries that can close gaps in access to capital in regions across California.

Working Landscapes: As California continues to grow—the state's population is expected to pass 50 million in the next thirty years—it will only become more important to develop sustainable approaches to managing the state's working landscapes, from farmland and ranches to forests and wetlands. The team has proposed a range of proposals to better manage and regulate this steady source of diverse jobs (from agriculture to energy production) and vital natural resources (including clean air and wildlife habitat).

Housing: While California works to protect its natural landscapes, it must also provide an adequate supply of housing to meet the needs of a growing workforce. The Action Team has proposed a variety of different approaches—from new financing tools and policy incentives to regulatory changes and zoning updates—that will encourage a diverse array of housing options close to public transportation.

2012 SUMMIT ACCOMPLISHMENTS

The first-ever Economic Summit in 2012 engaged more than 1,500 Californians in 14 Regional Forums, leading to a statewide gathering that focused on investing in people, infrastructure and innovation and on streamlining complex regulatory processes. Leaders from business, government, environment, and labor developed seven Signature Initiatives that target public and private action on workforce, innovation, infrastructure, capital and regulations. Those initiatives were identified as priorities throughout California's regions, aimed at restoring economic vitality.

As a result of the 2012 Summit:

- Legislation was passed to promote regional industry partnerships, connecting community colleges with the specific skills need of industry clusters.
- Silicon Valley was designated to be a location for a new federal patent office.
- The Innovation Hub (iHub) program, which leverages industry and research partnerships, economic development, and job creation around specific research clusters, is expanding across the state's regions.
- Private financing options for infrastructure are being pursued.
- Progress towards modernization of California's water system is accelerating, with the Summit continuing to push for a comprehensive, integrated state water plan.

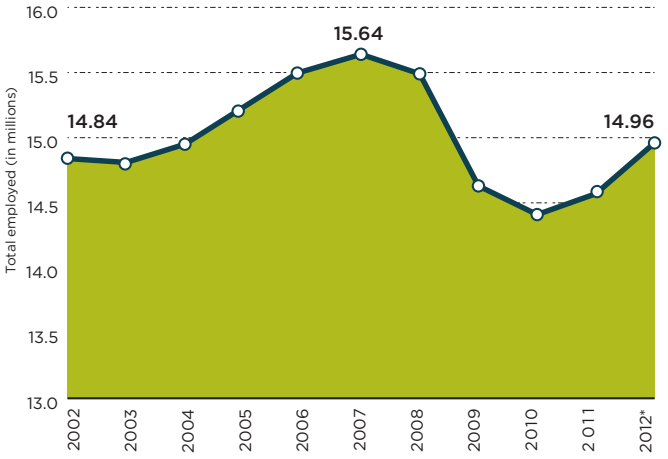
CALIFORNIA SNAPSHOT

While there is no single measure of triple-bottom-line prosperity, the following includes a representative set of economic, social, and environmental indicators to provide a broad view of the triple bottom line in California. These indicators also highlight disparities among regions of California. The California Economic Summit aims to close these gaps, advancing triple-bottom-line prosperity in all regions of California.

UNEVEN ECONOMIC RECOVERY

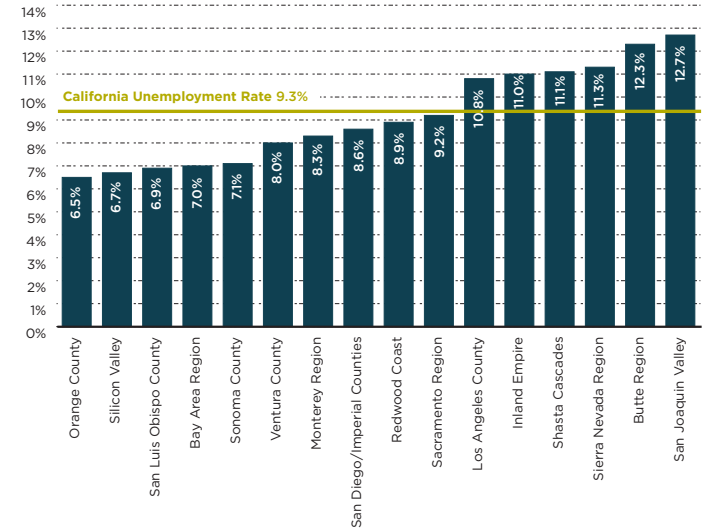
TOTAL EMPLOYMENT

California, 2002-2012*



UNEMPLOYMENT RATES

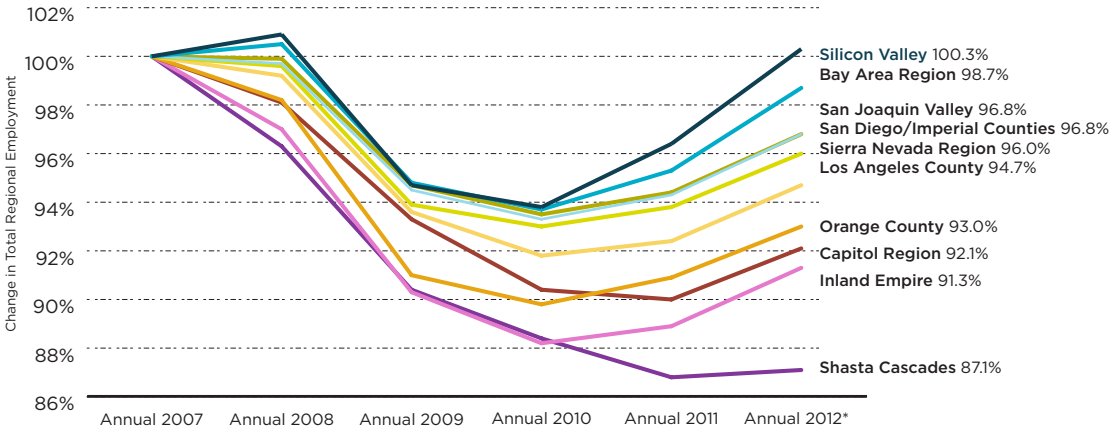
California Regions, July 2013



- **Although California lost more jobs than any other state during the Great Recession, California's economy has been steadily recovering**, with employment gradually returning to pre-recession levels. Between 2011 and 2012, California added more jobs than any other state in the country, at a rate of 2.7 percent.
- **Unemployment rates vary widely across the state.** The agricultural San Joaquin Valley and the Inland Empire regions are still recovering from the housing and construction collapse and have significantly higher unemployment than coastal regions. Rural regions such as Butte and the Sierra Nevada have also seen persistently high, double-digit unemployment rates while rates in urban, coastal regions are significantly lower.
- **Employment growth has been uneven across the state, however.** While coastal regions are growing rapidly, driven by technology, professional services, trade and tourism, growth in inland regions remains sluggish. For example, Silicon Valley has fully rebounded to 2007 employment levels, while job growth remains stagnant in the rural Shasta Cascades region.
- **Uneven economic recovery from the recession is no surprise**; underlying regional disparities impact regions' ability to be resilient in response to economic crisis.

EMPLOYMENT RECOVERY

Selected California Regions, 2007-2012*



* 2012 data is preliminary.

Data Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, CA Employment Development Department

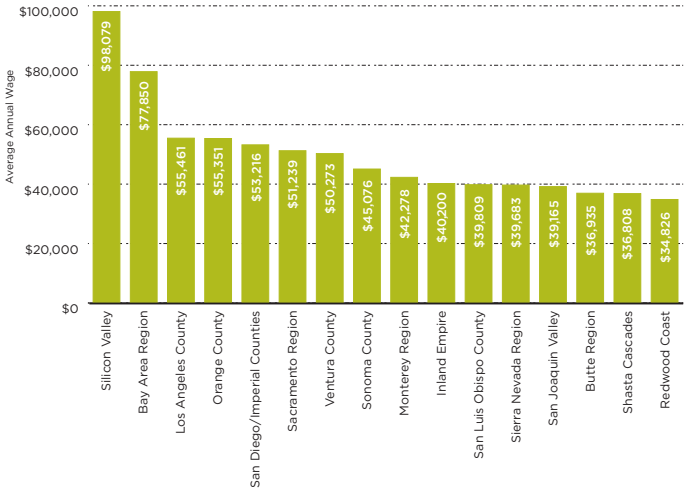
Analysis: Collaborative Economics

INCOME AND EDUCATIONAL ATTAINMENT

A snapshot of the varying wages, educational levels, environmental health and general wellness in urban, rural, inland, and coastal regions throughout California show a diverse but connected set of challenges. Ultimately, the challenges faced by one region impact the prosperity and opportunity for the entire state, underscoring the importance of collaborative solutions.

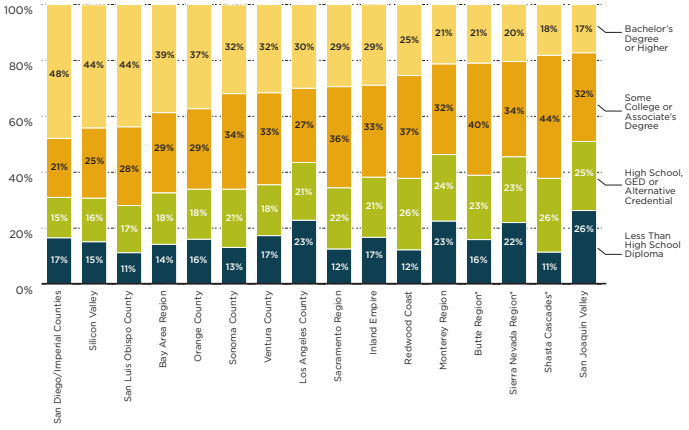
AVERAGE ANNUAL WAGES

California Regions, 2012



EDUCATIONAL ATTAINMENT BY REGION

California, 2012



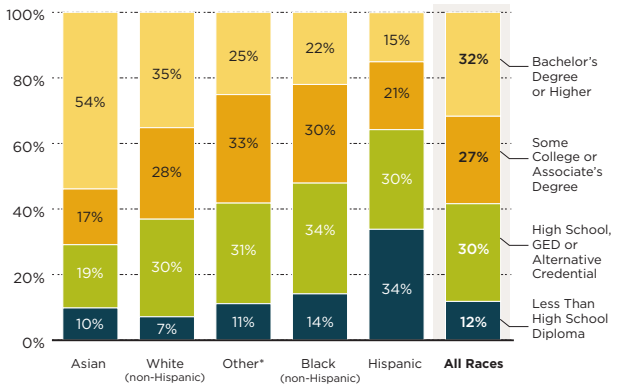
Data Source: Bureau of Labor Statistics, Preliminary Quarterly Census of Employment and Wages, American Community Survey, Current Poplulation Survey, United States Census Bureau

Analysis: Collaborative Economics

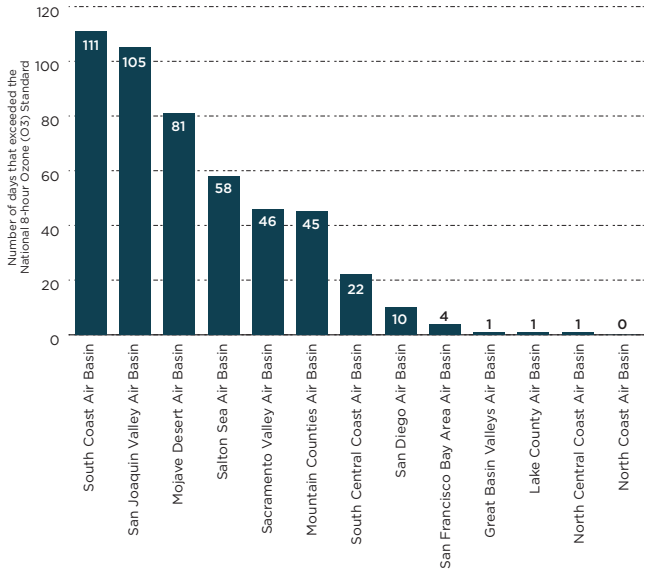
- **There is wide variation in income across the state, with the average annual wage in Silicon Valley nearly three times the average in the Shasta Cascades.** Disparities exist within regions as well; in the San Diego region, for example, Imperial County wages averaged $35,299 in 2012 compared with $54,044 in San Diego County.
- **As with income, educational attainment varies widely by region.** In the San Joaquin Valley, only 17 percent of the population has a Bachelor's degree in contrast to San Diego/Imperial Counties, where the rate is nearly 50 percent.
- **Achievement gaps—variations in educational attainment by race/ethnicity—are pronounced throughout California.** Only 15 percent of Hispanic Californians have a Bachelor's degree or higher, in contrast to 54 percent of Asian Californians and 35 percent of White Californians. This is a troubling gap given the current proportion and growth rate of the Hispanic population in California (38 percent of Californians are Hispanic).

EDUCATIONAL ATTAINMENT BY RACE

California, 2013



REGIONAL VARIATION IN ENVIRONMENTAL QUALITY

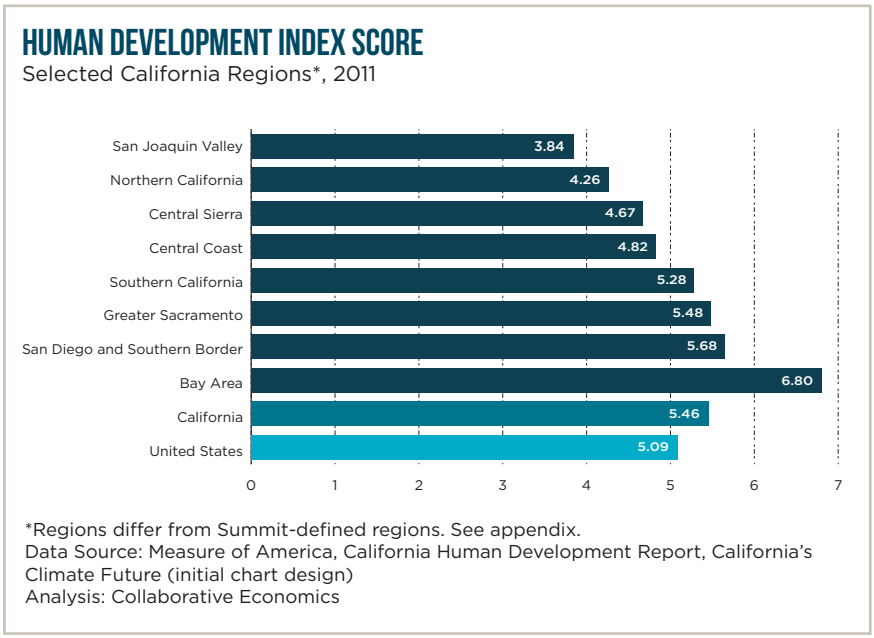


Data Source: California Air Resources Board
Analysis: Collaborative Economics

- **California's prosperity depends on a healthy environment that sustains California's people, communities and economies.** As climate change presents unprecedented challenges to regions across the state, there is a new imperative to integrate environmental sustainability into decision-making at the regional and state levels.
- **Environmental challenges vary by region.** Air quality, for example, ranges widely throughout the state, with the South Coast and Central Valley experiencing upwards of 100 unhealthy air days per year.
- **Addressing regional environmental challenges requires a coordinated approach,** recognizing the value and interdependence of environmental services in sustaining California's economy and communities.
- **The Governor's Environmental Goals and Policy Report**, prepared by the Office of Planning and Research, provides a more comprehensive array of environmental indicators of environmental health throughout California.

REGIONAL DISPARITIES IN TRIPLE-BOTTOM-LINE PROSPERITY

The Human Development Index, a measure of well-being and opportunity that integrates health, education, and income indicators, provides a tool for comparing triple-bottom-line prosperity across regions in California. Reflecting variations in income, health, education, and access to opportunity, index scores range widely among California's regions. High-scoring regions such as the Bay Area have a concentration of workers with high education levels, high median earnings, and high life expectancies. Regions such as the San Joaquin Valley score significantly below the national average as a result of lower educational attainment, slower job growth, and lower life expectancies



*Regions differ from Summit-defined regions. See appendix.
Data Source: Measure of America, California Human Development Report, California's Climate Future (initial chart design)
Analysis: Collaborative Economics

While no single measure captures all aspects of triple-bottom-line prosperity, **the Human Development Index sheds light on the important regional variation within California** in well-being and access to opportunity.

HOW THE SUMMIT CAN HELP

This looming disparity between regions—the "two Californias," one coastal, and one inland, one rich and one poor, with the middle class squeezed in between—is not only a regional challenge: cities like Palo Alto and East Palo Alto exist side-by-side all over the state, persistent pockets of poverty amongst prosperity.

Finding a way to address these disparities—and give voice to solutions proposed by regional leaders across California—is the work of the Economic Summit. Building on the work of last year's Summit, regions have come together in 2013 to create an economic vitality strategy that connects these two Californias—and promotes efforts to rebuild a strong middle class.

Together, the Summit's seven Action Teams have developed a statewide plan for investing in the workers, the infrastructure, and the governance systems California will need to meet the challenges of the 21st century. In many cases, the Teams' goals are intrinsically linked: investing in infrastructure and a skilled workforce, for example, will help the state's economy support a range of middle-class jobs in manufacturing and other leading industries—growth areas that can expand more quickly by streamlining regulations and easing small business's access to capital.

Detailed descriptions of the Action Plans—as well as the implementation steps necessary to make them a reality—can be found on the following pages.

INTERACTIVE SESSIONS INSTRUCTIONS FOR SUMMIT PARTICIPANTS

Through two one-hour interactive sessions at the Summit, you will have the opportunity to engage with the work of the Action Teams and explore specific ways you can advance the Plans. When you registered for the Summit, you indicated which of the seven initiatives interest you most. This choice will be pre-printed on your name tag, and you will focus on this initiative during both interactive sessions.

In the first session, which will be a facilitated table discussion in the plenary ballroom, you will be asked to provide feedback on the draft Action Plan and offer ideas for strengthening the Plan and engaging the right coalition. In the second session, which will be a facilitated large-group discussion in a breakout room, you will have the opportunity to make specific commitments to implement the Plan following the Summit.

To prepare to participate fully in these sessions, please review the Action Plan for your chosen initiative and consider the following questions:

QUESTION #1: VALIDATE AND STRENGTHEN THE "WHAT"

- **Are there refinements to this Plan** that would improve its political viability or significantly strengthen its impact?
- **What facts, information, or messages** do you think would make a compelling case for this Plan as a priority for California?

QUESTION #2: BUILD OUT THE "WHO" AND "HOW"

- **Who are the groups** that should be the natural leaders or champions for this Plan?
- **Who else** would likely support this Plan if engaged?
- **Who is likely** to oppose this Plan?
- **What could be done** to soften opposition to this Plan?

TABLE CANVAS

Your feedback on the questions outlined on the previous page will be captured on large sheets of paper ("canvases") at each table during Interactive Session #1. The example below provides a map of how these canvases will be used.

WHAT Recommendations	HOW Implementation Actions	WHO	COMMITMENTS Who will do what?
[The Action Plan prepared by the Action Team will be pre-printed in this section on the canvas.]	*[Implementation actions prepared by the Action Team will be pre-printed in this section on the canvas.]*	**INTERACTIVE SESSION 1** Who are the groups that should be the natural leaders or champions for this Plan? Who else would likely support this Plan if engaged? Who is likely to oppose this Plan?	**INTERACTIVE SESSION 2** What can you do to help implement the plan?
ADD YOUR OWN IDEAS **Other Recommendations** **INTERACTIVE SESSION 1** Are there refinements to this Plan that would improve its political viability or significantly strengthen its impact?	**Other Implementation Actions** **INTERACTIVE SESSION 1** What facts, information, or messages do you think would make a compelling case for this Plan as a priority for California? What could be done to soften opposition to this Plan?		

WORKFORCE

PROBLEM STATEMENT

- Growing shortage of skilled workers for major regional industry sectors
- Thousands of unemployed and underemployed people, including long-term unemployed
- Growing competition from other states and countries
- Fragmented and under-resourced approach to workforce development
- Prospect of comprehensive immigration reform will result in increased demand for workforce development services

GOAL STATEMENT

- Prepare people for in-demand and/or high-growth jobs in major industry sectors
- Prioritize workforce-training resources to support major regional industry sectors
- Create partnerships between local workforce investment boards (WIBs), community colleges, economic development organizations, businesses, and labor

WHAT Recommendations	HOW Implementation Actions
1 **Expand Regional Sector Partnerships to Meet High-Priority Workforce Needs** • Prioritize regional and local workforce development funding to prepare people for high-priority jobs and careers in major sectors of California's regional economies. • Expand the use of regionally specific "sector partnerships"[1] across the State as the preferred approach for focusing workforce development funding on high-priority jobs and careers.	• **Adopt specific policies and make targeted investments in education and training** that prepare people for high-priority jobs and careers in major sectors of California's regional economies. • **Launch new and expand existing regional sector partnerships** across the State. • **Establish written "sector compacts"** for every partnership, with public and private sector partners committing to specific investments and other actions. Sector compacts should not only define commitments of regional partners, but also those of state agency partners, "braiding" multiple funding streams.

[1] Regionally specific sector partnerships are collaborations among multiple employers within a sector along with multiple community partners (e.g., K-12 systems, community colleges, CSUs, UCs, private education and training institutions, workforce investment boards, community-based organizations, and others that can contribute to an effective sector partnership).

WHAT Recommendations	HOW Implementation Actions
2 **Increase State Support for Regional Sector Partnerships** • Coordinate state systems to jointly support the expansion of regional sector partnerships across California. Coordinate and expand current support for sector partnerships among the community college, workforce investment, K-12, and university systems, as well as the Employment Training Panel, GO-Biz, and others. • Remove state-level barriers to the expansion of regional sector partnerships. State agencies and systems should review their policies and processes to identify and remove any disincentives to the expansion of regional sector partnerships across California.	• **Provide a focal point for coordinating agency investments in sector partnerships**, collecting and promoting promising practices and helpful tools, facilitating peer-to-peer exchange and mutual support, and providing training and coaching on how to convene and maintain effective sector partnerships. This joint effort would be coordinated through the California Workforce Investment Board (CWIB) State Working Group, involving leaders in several state systems and agencies. • **Qualify community colleges on the Employment Training Provider list** so they can become natural workforce training providers in the public workforce system. • **Publish wage data mapped to community college, CSU, and UC programs** to increase transparency for consumers (and their families) and partners.
3 **Grow Career Technical Education in High-Priority Fields Critical to California's Regional Economies** • Adopt a "shared investment" approach to expanding CTE in high-priority fields that (1) reverses the decade-long decline in State CTE investment while (2) encouraging much higher levels of regional public-private investment. • Encourage greater local and regional commitment to CTE by increasing incentives for business to contribute, students to participate, and communities to make it a priority.	• **Create a California CTE Shared-Investment Fund** to make matching resources available to regions. With enabling legislation, the Fund would provide incentive funding for CTE that is well-aligned with regional workforce demand, encourages regional collaboration, and rewards commitments from business and community partners. • **Encourage greater local and regional commitment to CTE** by expanding tax incentives for equipment and materials donations, targeting student financial aid to incent enrollment and completion in high-priority fields, and launching a statewide campaign to promote the importance of CTE to California's economic future.

WORKFORCE ACTION TEAM MEMBERS

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Folsom Cordova Community Partnership

Bing Jou

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Co-Merge Workplace

Bob Lanter
California Workforce Association

Rick Larkey
North State Building Industry Association

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Bob Linscheid
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Paulette Lynch
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INFRASTRUCTURE

PROBLEM STATEMENT

- California's infrastructure is not adequate to meet the needs of a 21st Century economy and promote global competitiveness, environmental sustainability, and equal opportunity.
- With growing fiscal challenges, the State will have fewer resources to pay for infrastructure and finance long-term debt, yet California's highly-centralized system for building infrastructure relies on large capital investments by state government.
- The state only has the resources to pay for about half of the estimated $765 billion in infrastructure investments it must make over the next decade.

GOAL STATEMENT

- Adopt a comprehensive approach to infrastructure planning, development, resource conservation and finance that is focused on economic growth, environmental sustainability, and equal opportunities for all.
- Ensure that all levels of government have sufficient financing and project delivery authority to facilitate investment in support of state, regional and local economies.

WHAT Recommendations	HOW Implementation Actions
1 **Focus on Results** Public agencies should integrate infrastructure project planning, development and financing at the earliest stage to make them more transparent, to encourage use of technology, and to improve return on investment.	**Strengthen design-build authority** by encouraging alternative procurement methods that yield measurable value. **Promote the integration** of planning, design, delivery including life cycle costs. **Ensure that there is a measurable benefit** from infrastructure investment in under-served communities.
2 **Build Public Confidence** The public needs to understand the benefits to themselves and their communities of smart infrastructure investments, and public agencies need to clearly report progress.	**A regional and local communications effort should make the case for infrastructure investment**, highlighting the cost of doing nothing and promoting performance metrics and tracking results to build public confidence.

WHAT Recommendations	HOW Implementation Actions
3 **Include Adequate Revenue** **A. Tap into appropriate revenue sources:** Expand the pool of resources: New dedicated revenue sources including private capital are needed to meet the state, regional and local infrastructure needs. Increase use of user fees and assessments when there is an identifiable beneficiary of the investment. **B. Grant local goverments more authority** The State should consider reducing the vote requirement for taxes and general obligation bonds that are dedicated to infrastructure and clarifying conditions under which assessments tied to benefits can be raised with a majority vote. **C. Find a new way to finance community economic development** The State should enact a new method—one that combines the authority to use assessments tied to benefits and tax increment growth—to allow communities to finance local economic development projects in the absence of redevelopment.	**A. Examples include:** **For transportation:** • Raising gas taxes • Raising vehicle related taxes (e.g. VMT, VLF) • Broader use of assessments related to benefits received from infrastructure investment **For water-related infrastructure:** • Maintain the user based system for water related infrastructure • Develop statewide or region-based method for financing related ecosystem improvements **B. Revise the vote requirement** for special taxes and general-obligation bonds dedicated to infrastructure. **C. Four major approaches include:** • Expand use of Infrastructure Financing Districts (SB 33, Wolk); recreate IFDs as jobs/ed financing districts (AB 690, Campos) • Focus broad "revitalization" authority in high-poverty, high-crime areas (AB 1080, Alejo) • Create "sustainable communities" financing in transit priority areas (SB 1, Steinberg) • Capture rise in land value created by infrastructure (An alternative approach)

WHAT Recommendations	HOW Implementation Actions
4 **Provide New Tools to Drive Private Investment** **A. Strengthen the role of the state infrastructure bank** Position the I-bank to facilitate private sector investment through public-private partnerships. **B. Encourage new local governance models** Consider new institutional models such as Public Benefit Corporations to tap into public and private resources for infrastructure investment. **C. Expand authority for projects seeking private investment** The State should clarify existing Infrastructure Financing Act rules to expand public-private project financing. **D. Integrate risk assessment** To ensure the financial risks taken on by state and local entities are understood, a responsibility for risk assessment should be applicable at all levels of government.	**A. I-bank should revise criteria** to enhance the bank's ability to attract private capital. **B. Review existing governance models** to determine if current models are sufficient. **C. Proposals could include:** • Provide flexibility in selection of partners • Encourage alternative deal types • Extend time frame of public-private deals **D. Integrate risk assessment** into state, regional, and local infrastructure investment systems.

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REGULATIONS

PROBLEM STATEMENT

- While the Action Team embraces the core values of environmental quality, workplace safety and consumer protection, complex, costly, unpredictable and difficult-to-navigate regulations impose unnecessary costs on businesses, taxpayers, and consumers in California.
- Regulatory processes are excessively prescriptive and process-oriented. Over time many have departed significantly from their original legislative intent although there are regulatory processes that demonstrate high levels of customer service.
- While the California Environmental Quality Act (CEQA) has strong benefits to ecosystems, public health, and environmental quality, the CEQA process has been misused, often substantially increasing costs of projects and delaying both private sector job-creating investments and critical public-works projects important to competitiveness and public safety.

GOAL STATEMENT

- Strengthen California's high environmental, worker-protection and public-standards safety and, where possible, turn regulations into a competitive advantage, and improve the regulatory systems' efficiency, costs, and service.
- Create a predictable, responsive, fair and equitable project-based regulatory system that is focused on "getting to YES."
- Modify selected regulatory processes to improve accountability, transparency, consistency of process, and timeliness by providing pro-bono assistance that focuses on process improvement including use of technology.
- Create incentives for "good actors" – companies and industries that have voluntarily adopted best practices and higher environmental standards than required by law.
- Measure customer satisfaction using an independently developed online system.

WHAT Recommendations	HOW Implementation Actions
1 **Ensure state regulations are coordinated, efficient, and modernized.**	• **Select two to four regulations for process changes** that improve efficiency and timeliness. • **Support GO-Biz's plans to establish a pilot tracking system,** perhaps associated with the regulations to be reviewed, to ensure that those applications are tracked continuously through the regulatory process. • **Review economic impact assessments required under SB 617** to ensure that intent of law with respect to $50-million threshold is being honored and that the modeling program is capturing all of the costs. The Action Team will assist in reviewing planned regulations to ensure that they are cost-effective and alternatives have been considered.
2 **Develop a way for applicants, including both private-sector and public agencies who navigate a state regulatory process, to provide feedback on the good and the challenging aspects of their experience.**	• **Create an independent "Yelp"-type survey instrument,** funded and managed outside of government, to measure customer satisfaction with the specific regulatory process.
3 **Support CEQA reform dialogue and educational efforts with the dual goals of protecting the environment and improving timeliness and predictability for projects.**	• **Review legislation passed and signed by the Governor in 2013** and convene or support an inclusive group to determine next steps. • **Review the principles developed in the 2012 Summit t**o determine if they are still current, need to be amended, or if new principles need to be added. • **Continue an educational focus on CEQA on the caeconomy.org website,** highlighting both successes and problems. • **Support the Governor's Office of Planning and Research's planned 2013-14 CEQA review.** Offer the expertise of members on the Regulations Action Team to provide input during the OPR review.

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ADVANCING MANUFACTURING

PROBLEM STATEMENT

- California is a leader in manufacturing but lacks an advanced-manufacturing strategy that will successfully connect large and small manufacturers as well as state, federal and regional partners, to develop and implement industry-driven partnerships.
- California is the 8th-largest economy in the world but does not have a comprehensive global economic strategy for promoting manufacturing exports and investments.

GOAL STATEMENT

- Ensure that manufacturing remains a viable, long-term component of California's economy that creates jobs and opportunities for California residents
- Improve business competitiveness and job creation through greater connectivity to global markets that increases exports and attracts investment

WHAT Recommendations	HOW Implementation Actions
1 **Create a California Campaign for Manufacturing** California needs to communicate the value of the manufacturing sector and its assets, including markets, workforce, suppliers and technology base.	• **Organize and launch a *California Campaign for Manufacturing*** – a communications strategy for both external and internal audiences that shares the message of the importance of manufacturing to the state's economy and the opportunities for manufacturers in California. Tell the story of what manufacturers can do for communities and what communities can do for manufacturers. • **Develop case studies of manufacturing excellence** and develop a clearinghouse to communicate those case studies. • **Highlight investment-ready communities that have promoted manufacturing excellence**

WHAT Recommendations	HOW Implementation Actions
2 **Make California Regulations a Competitive Advantage** California has some of the strongest laws and regulations for environmental goals in the nation. These regulations can become a competitive advantage if they support California manufacturers in developing stronger supply chains that meet internationally recognized standards, and increase the manufacturer's rating on industry and especially customer scorecards. This requires regulators and law makers working with manufacturers to promote flexibility and innovation through the rulemaking process, and to align with criteria set by customers, industry and standards bodies. By doing so, California can offer an advantage through a healthier ecosystem that fosters manufacturing growth, attraction and retention.	• **Align with and support development of common International standards** that establish recognized methods for evaluating environmental influences of manufacturing systems, e.g. energy/resource consumption and pollution. • **Work with industry and industry groups to identify regulations that could be modified to increase flexibility for compliance.** Select representative customer criteria in select industries to benchmark a customer scorecard against appropriate California legal requirements. • **Educate regulators on the most effective ways to work with manufacturers to promote innovation in meeting regulatory standards.** Reward manufacturers for voluntary action to exceed state environmental standards—promoting the triple bottom line of industry.
3 **Promote Innovative Manufacturing Partnerships** Based on California's diversity of regions and technology assets, create industry led regional partnerships focused on manufacturing clusters involving manufacturers, universities and community colleges and training organizations.	• **Promote technology transfer** from universities and national labs to medium and small sized manufacturers. • **Support statewide networks for manufacturing innovation** in cooperation with the federal state governments and educational institutions.

WHAT Recommendations	HOW Implementation Actions
4 **Support Manufacturing Skills** In every region of the state, promote training programs for manufacturing in community colleges and universities that meet the skills requirements of industry.	• **Create Regional Manufacturing Partnership Communities made up of all levels of education, economic and workforce-development organizations and manufacturers** to create more effective training programs that prepare people for in-demand jobs in advanced manufacturing. Complete an Advanced Manufacturing Resource Map to help make connects between manufacturers and resource providers. • **Work with Regional Manufacturing Partnership Communities** to increase the number of students earning degrees and certificates that lead to in-demand jobs. Use educational and workforce funds as well as Employment Training Panel (ETP) funds to support manufacturing training program. • **Promote science, technology, engineering and math (STEM) career awareness** at all levels of education to increase the number of students pursuing careers in technology.
5 **Promote Exports and Direct Investment** California has the opportunity to be a leader in manufacturing exports and direct foreign investment.	• **Create manufacturing export assistance programs for small and medium-sized businesses** by connecting and focusing existing efforts. • **Promote direct foreign investment,** especially from Asia.

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WORKING LANDSCAPES

California's economy, people and environment are hugely dependent on working landscapes, which include farmland, ranches, forests, wetlands, mines, water bodies and other natural resource lands, both private and public.

Working landscapes are a crucial part of California's triple bottom line by:

- Producing jobs and healthy economies through agriculture, energy production, fisheries, forestry, mining, recreation and tourism – PROSPERITY;
- Providing health and nutrition, natural materials, recreation, culture and heritage as well as scenic/aesthetic qualities of life – PEOPLE; and
- Delivering environmental services such as wildlife habitat, clean air, clean water, carbon sequestration, adaptability and more – PLANET.

PROBLEM STATEMENT

Working landscapes are undergoing major changes and there are not adequate tools or processes to address these changes. Lack of good data, smart policy, civic stewardship, access to capital, poor regulatory alignment and effective collaboration threaten to inhibit the state's ability to make effective management and regulatory decisions about working landscapes.

GOAL STATEMENT

Design and implement policy and programs that balance all potential values of working landscapes – reflecting true costs and benefits provided to both urban and rural communities – today and for future generations. Ensure that recommended policy and actions build upon the work of earlier initiatives and that all stakeholders are engaged.

WHAT Recommendations	HOW Implementation Actions
1 **Data-Based Modeling** Develop statewide data and spatial modeling capacity to provide a range of economic and environmental indicators and metrics to assess strategies that protect and enhance working landscapes. This essential tool will provide policy makers, public agencies and the private sector new information and enable better decisions.	• **Fund the expansion of open-source software and resources planning efforts –** such as Urban Footprint and the Sacramento Area Council of Government's Rural-Urban Connections Strategy (RUCS) project – to provide working lands modeling and planning that enhances both environmental services analysis and resource-based industries. • **Ensure that this toolkit is available throughout California;** that users can easily customize it to suit their needs and that enhancements can be readily shared with other users. • **Utilize this analysis capacity to bring an array of stakeholders to the table** and facilitate meaningful conversations and better decision making about working landscapes.

WHAT Recommendations	HOW Implementation Actions
2 **Policy Integration** Integrate desired outcomes of various policy frameworks – including but not limited to AB 32, SB 375, farmland protection and watershed management, etc. – to define cohesive and realistic goals for balancing the needs to accommodate urban growth with the needs to conserve and enhance working landscapes. Many policies are implemented in uncoordinated and inconsistent fashion, burdening land managers without producing a corresponding benefit. An integrated policy framework – with flexibility for regional variance in climate, watershed function, species mix, economic activities, etc. – would change this dynamic and enhance the economic and ecological bounty of California's working landscapes while helping to provide a high quality of life in urban areas.	• **Develop regional objectives for land and water management** and enlist appropriate stakeholders to take responsibility for each objective; this should also facilitate responsible stewardship of leased lands and mixed ownership. • **Seek balanced solutions to urban and rural land-use planning** that are economically efficient in providing services, infrastructure and quality of life amenities. • **Remove barriers that limit participation in programs**, including but not limited to availability of relevant science and/or methodology, policy analysis, cost barriers, and conflict between overlapping regulatory regimes. • **Coordinate the goals and objectives of OPR, Strategic Growth Council, LAFCO, DOC, CDFA and other agencies;** encourage inclusion of environmental and economic metrics. • **Link SB 375 (Sustainable Community Strategy and Metropolitan Transportation Plans) goals, funding and implementation** to actions supporting working landscapes, goods movement and city-centered growth.

WHAT Recommendations	HOW Implementation Actions
3 **Market-Based Incentives** Develop and test market-based incentives to reward land stewardship that enhances ecosystem services and demonstrates societal benefits of resource management. Establish verification measures that provide confidence to landowners, investors and policy makers.	• **Implement recommendations from the CRAE report** ("Guidelines for Creating Effective Ecosystem Services Incentive Programs and Policy" 2012). • **Support initiatives to quantify and document the value of ecosystem services – an integral step towards developing future markets** – such as AB32 Carbon Credits and the California Department of Food and Agriculture's Ecosystem Services Database. • **Seek upper-watershed improvements** that increase water supply and quality, improve habitat and reduce forest fire damage. • **Develop a new program for upstream watershed management** in conjunction with the 2014 California Water Bond, Bay-Delta Conservation Plan, Central Valley Flood Protection Plan, etc. • **Replicate innovative ratepayer-based, upstream water management opportunities** to support water quality and quantity for all towns and cities. • **Advance policies, programs and regulations that provide regulatory certainty and predictability for land owners/managers** to incentivize proactive management that enhances water quality and quantity, soil conservation, threatened and endangered species, marketable resources and other environmental services. • **Utilize safe-harbor agreements in more instances,** and fully implement the so-far unused state SHA program created by SB 448. • **Collaborate with efforts to reform CEQA that offer positive support for working landscapes** and explore options to reduce frivolous litigation. • **Expand grant and loan programs for projects that enhance environmental services,** including but not limited to directing state cap-and-trade revenues to working landscapes and developing land-banking programs.

WHAT Recommendations	HOW Implementation Actions
4 **Capital Investments** Align public and private investments to create a competitive advantage in markets and industries connected to working landscapes and rural communities; target capital to viable natural-resource-dependent enterprises.	• **Reorient economic development and workforce programs to support regional industry clusters** – emphasizing rural and urban collaboration; develop data and analysis to identify clusters, target policy, and track performance. • **Establish a grants program** to address gaps in cluster performance. • **Pursue industry-based partnerships and leverage private and public resources.** • **Support and expand** entrepreneur-training programs, apprentice opportunities and business services. • **Improve support and services** to businesses interested in local, national, and international markets. • **Increase investment in rural and natural resource-based economies.** • **Link capital to entrepreneurs, well-managed businesses, infrastructure and clusters.** Create regional investment funds and innovations like crowdfunding and microloans. • **Increase investment in key infrastructure** (roads, bridges, flood control, water storage/conveyance, broadband, etc.). • **Utilize restoration of natural resources and enhanced experiences on publicly accessible lands** to provide jobs and develop vibrant resource-based economies. • **Develop state and regional goods-movement strategies;** ensure rural needs are met. • **Organize collaboration** of state's technology clusters, academic and research resources. • **Improve transfer of research** to commercialized technology and implementation tools. • **Establish vibrant intercommunity information and innovation dissemination methods.** Foster an entrepreneurial culture and "eco-system" including for the ag cluster.

WHAT Recommendations	HOW Implementation Actions
5 **Communication and Collaboration** Build coalition to promote understanding of the value of working landscapes.	• **Educate policymakers, landowners and the public** about the economic and environmental benefits of working landscapes. • **Develop curriculum for K-12 as well as adult education** concerning the connections between urban economies and working landscapes. • **Where conversion of working landscapes is inevitable, work with policymakers** to ensure adequate mitigation is required, including funding for conservation easements.

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CAPITAL

PROBLEM STATEMENT

- Existing firms and potential entrepreneurs require access to capital and a strong network of business services—both are currently inadequate.
- More connection between various investors and investment opportunities need to be coordinated, region by region. There are gaps in the financial ecosystem and more intermediaries are needed throughout the financial continuum for all types of investments and all types of capital.
- Impact investors and local residents interested in targeting specific regions, industries or firms lack effective intermediaries.

GOAL STATEMENT

- Identify gaps, eliminate barriers, and establish appropriate intermediaries to increase access to capital.
- Target investments that generate economic as well as social and environmental returns to California communities.

WHAT Recommendations	HOW Implementation Actions
1 **Create inventory of capital intermediaries in regions throughout California**	**Identify the intermediaries currently operating in each region and identify gaps in capital needed and/or new intermediaries in each region.** Investment categories for discussion include (see following page for descriptions): • Early-stage entrepreneurs • Later-stage equity and private-equity investing • Working-capital and mezzanine loans • Revenue bonds, credit enhancements, infrastructure financing
2 **Assess capabilities and shortcomings of existing intermediaries and identify gaps in access to capital**	**Convene or join regional team** to conduct comprehensive regional assessment of operating intermediaries and gaps.
3 **Map needs for new intermediaries which can be formed and deploy capital in the next 12-24 months**	**Develop working network of intermediaries** that meet needs of businesses and industry clusters in regions across California.

Early-Stage Entrepreneurs. Includes hackerspaces, incubators, seed funds, and early-stage Venture Capital.

Later-Stage Equity and Private-Equity Investing. The provision of private-equity capital by investors over the medium and long term to companies with high-growth potential.

Working Capital is defined as the difference between current assets and current liabilities. Current assets are the most liquid of your assets, meaning they are cash or can be quickly converted to cash. Current liabilities are any obligations due within one year. The purpose of a working-capital-loan is to finance everyday operations of a company.

Mezzanine Financing is a hybrid of debt and equity financing that is typically used to finance the expansion of existing companies. Mezzanine financing is basically debt capital that gives the lender the rights to convert to an ownership or equity interest in the company if the loan is not paid back in time and in full. It is generally subordinated to debt provided by senior lenders such as banks and venture-capital companies

Revenue bonds. A municipal bond supported by the revenue from a specific project, such as a highway, toll bridge, or sports stadium. Revenue bonds are secured by a specified revenue source.

Credit Enhancements. A method whereby a company attempts to improve its debt or credit worthiness. Through credit enhancement, the lender is provided with reassurance that the borrower will honor the obligation through additional collateral, insurance, or a third-party guarantee.

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HOUSING

PROBLEM STATEMENT

- There is an undersupply of housing in California, contributing to significant price escalation and worsening affordability across the state.
- California lacks an adequate supply and mix of housing, in the right location, affordable to families, the workforce and special needs communities.
- High regulatory costs associated with housing production contribute to the housing shortage.
- California's housing shortage and negatively impacts the triple bottom line, constraining business access to a workforce and customer base, worsening affordability for low- and middle-income families, and worsening air quality and traffic congestion.

GOAL STATEMENT

- Adequate supply of housing that aligns with current and future population demand, including affordable housing for low-income workers and families as well as for vulnerable populations (e.g. disabled, homeless, and seniors).
- Diverse supply of housing with broad array of housing products available to residents from single-family detached homes to high-rise condominiums, to own or to rent.
- Access to public transportation that allows people in all neighborhoods freedom of movement to access good jobs, healthcare, and healthy food without owning a car.

WHAT Recommendations	HOW Implementation Actions
1 **Innovate** • **Encourage public-private partnerships to provide affordable housing and the infrastructure needed to support it.** Leverage non-traditional funding resources including but not limited to pension-fund investments, state credit enhancements, and new types of bond financing. • **Promote economic development and business competitiveness.** Housing projects must provide for a net increase in the workforce housing supply to meet the current and future workforce housing demands of California employers.	• **Encourage local governments to incentivize housing located near current or projected job centers** with permit streamlining, expedited environmental reviews and other measurable economic incentives, including fee waivers or deferrals. • **Incentivize and support employer-assisted housing strategies,** including creating a clearinghouse of successful models. • **Identify and promote development of sites eligible for SB 375 CEQA Streamlining.** Encourage local governments to identify sites in their housing-element land inventories that are part of Priority Development Areas from SCS and eligible for streamlining.

- **Increase incentives for more robust implementation of SB 375 and leverage the potential of Sustainable Communities Strategies (SCS).** Local jurisdictions can and should incent development of housing consistent with the region's Sustainable Communities Strategy (SCS) adopted pursuant to SB 375. The approach must be incentive-based and must not punish regions or practices that are not yet able to meet SCS consistency.
- **Encourage development of new housing models and designs** to respond to changing demographics and market demand.
- **Identify/facilitate the funding of research** to support the triple-bottom-line benefits of housing and identify barriers to a healthy housing supply and market.

- **Encourage MPOs to link transportation funding (including transit resources, infrastructure, vehicles and operating expense) and other incentives to housing production and preservation goals.** For example, SANDAG and MTC reward jurisdictions with compliant housing elements.
- **Identify appropriate State funds to reward local governments for housing production and preservation** consistent with certified housing elements and SCSs.
- **Educate communities about potential benefits of infill, compact development and transit-oriented development** while identifying strategies to mitigate impacts.
- **Identify new housing models and evaluate the potential to accommodate changing market demands.** For example, communities around the country are experimenting with approval of "micro" units. Evaluate whether this housing type and other such models have potential at broader scale and to address a variety of income levels.

2 Create and Invest in Financing Tools

- **Create new funding resources** to support development of housing affordable to low-income seniors, families and workers.
- **Modernize California's tax system at the local level**, rewarding cities for developing housing rather than retail and office space.
- **Support new funding models for housing** such as the $50 million Bay Area Transit-Oriented Affordable-Housing Fund (TOAH) which provides financing for the development of affordable housing and other vital community services (child care, fresh food outlets, health clinics) near transit lines throughout the Bay Area.

- **Create a "permanent source" of funding** to develop, rehabilitate and preserve housing affordable to low-income households.
- **Identify and support funding alternatives to redevelopment.**

WHAT Recommendations	HOW Implementation Actions
3 **Reform and Incentivize** • **Update General Plans and zoning to establish consistent, transparent standards that promote development certainty for housing.** Create a clear set of zoning rules up front that determine what a developer can or cannot do. Then let builders build, protected from litigation and process delays. • **Develop strategies to help local governments** reduce permitting fees for housing development, speed up the time it takes to get permits, and reduce regulatory barriers to housing development. • **Reform the California Environmental Quality Act**, particularly as it relates to residential development, by streamlining the process to make it much faster, less costly and more predictable, and by altering the rules that allow many groups to abuse the process. (See CEQA under Regulations Action Plan.) • **Support rural housing development** to adequately house workers and maintain the rural landscape and agricultural industry.	• **Identify funding options for local governments to comprehensively update general plans and zoning requirements.** Link funding to updates and zoning revisions that will promote infill, transit-oriented development, and that will streamline and expedite development approval and certainty. • **Encourage and incentivize local governments to review existing development regulations to identify areas to update to streamline approval process and revise outdated development standards.** Develop model ordinances and standards for easy use and adoption by local governments. • **Consider strategies to expand use of CEQA exemptions** including for residential uses in specific plans and infill. • **More robust and strategic use of focused CEQA documents where possible.**
4 **Support Inclusion and Social Equity** • **Promote a wide range of housing options.** Help local governments meet their Regional Housing Needs allocation and housing for special-needs populations. Support new development projects, "for sale" housing as well as rental housing, multi-family or detached, and any creative combination. Support projects offering a full spectrum of price ranges and affordability for the workforce.	• **Promote housing types and designs that accommodate the full life cycle such as universal design, Granny flats, etc.** • **Promote revisions of local standards** to incentivize development of full range of housing types and choices including multifamily, manufactured housing, Single Room Occupancy units, supportive housing, duplexes, and four-plexes.

- **Develop strategies to protect existing neighborhoods and housing while revitalizing communities and increasing housing supply.**
- **Support community involvement and local planning.** Support projects consistent with the local jurisdiction's long-range planning to accommodate future population and jobs growth. Support projects that have engaged in a transparent public and local jurisdiction review process. Support projects that include demonstrable public benefits for the community.

- **Target infrastructure improvements and community amenities to existing neighborhoods impacted by redevelopment and new transportation systems.** For example, target CDBG resources to rehabilitate housing and make infrastructure improvements in infill areas.
- **Develop strategies to discourage displacement of existing residents in impacted neighborhoods.**
- **Identify mechanisms to marshal business and industry support for projects that meet specified standards.** Evaluate potential of Silicon Valley Leadership Group Project Advocacy, where they review, endorse and advocate for quality housing proposals.

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APPENDIX

Regional Employment and Wage Data comes from the Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW) program. QCEW publishes a quarterly count of employment and wages reported by employers covering 98 percent of U.S. jobs, available at the county, metropolitan statistical area, state and national levels by industry. Regional employment numbers were calculated by summing relevant county employment numbers. Average wage data was weighted by relative county population in the region.

Regional definitions are based on California Economic Summit Regional Forums.

San Joaquin Valley Region includes Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties.

Inland Empire includes Riverside and San Bernardino Counties.

Monterey Region includes Monterey, Santa Cruz, and San Benito Counties.

Shasta Cascades Region includes Siskiyou, Shasta, and Trinity Counties. Redwood Coast includes Del Norte, Humboldt, Lake, and Mendocino Counties.

The Capital Region includes El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties.

The San Diego Region includes San Diego and Imperial Counties.

The Sierra Nevada Region includes Alpine, Amador, Butte, Calaveras, El Dorado, Fresno, Kern, Lassen, Madera, Mariposa, Modoc, Mono, Nevada, Placer, Shasta, Sierra, Tehama, Tulare, Tuolumne, and Yuba Counties.

Silicon Valley includes Santa Clara and San Mateo Counties.

The Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.

Education Attainment Data for the State of California, 2013 is from the Community Population Survey (CPS), a division of the United States Census Bureau. The CPS is administered by the Census Bureau using a probability-selected sample of about 60,000 occupied households from all 50 states and the District of Columbia.

Regional Education Attainment Data for 2012 comes from the American Community Survey (ACS), a division the United States Census Bureau. ACS reports education-attainment data by county, but not all California counties were included in the 2012 data due to insufficient representation in smaller counties. The counties of Alpine, Amador, Glenn, Mariposa, Modoc, Mono, Plumas, Sierra, Siskiyou, Tehama, Trinity, and Toulomne were not included in this analysis. Educational attainment for Butte, Sierra Nevada, and Shasta Cascades Regions was calculated by summing the educational attainment levels for of the counties in the region for which there were data.

The California Air Resources Board (ARB) measures air quality at over 300 sites. The U.S. Environmental Protection Agency has established standards (termed National Ambient Air Quality Standards or NAAQS), under the authority of the Federal Clean Air Act, that identify safe levels for ozone in the atmosphere to prevent and minimize adverse impacts to human health and to crops, forests, and materials. The California ARB standard for 8-hour-average ozone level is 0.070 parts per million (ppm).

The Human Development Index is a product of Measure America and is calculated assessing four indicators: life expectancy at birth, educational attainment, school enrollment and median earnings. The Human Development Index score is calculated by taking the simple average of the health, education, and income indices. To calculate these indices, minimum and maximum values (goalposts) are chosen for each underlying indicator. The goalposts are determined based on the range of the indicator observed on all possible groupings and also taking into account possible increases and decreases in years to come. Performance in each dimension is expressed as a value between 0 and 10 by applying the following general formula:

$$\textbf{Dimension Index} = \frac{\text{actual value - minimum value}}{\text{maximum value - minimum value}} \times 10$$

The California Human Development Report defines its geographic regions in the following way:

Northern California: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity Counties

Greater Sacramento: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties

Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma Counties

Central Coast: Monterey, San Benito, San Luis Obispo, and Santa Barbara Counties

San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties

Central Sierra: Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, and Tuolumne Counties

Southern California: Los Angeles, Orange, Ventura, Riverside, and San Bernardino Counties

San Diego and Southern Border: Imperial and San Diego Counties

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THRIVING REGIONS LEAD TO A THRIVING STATE

Summit Partners
California Stewardship Network
California Forward

www.caeconomy.org