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To the Governor's Office of Planning and Research (OPR), Employment Development Department (EDD), Labor and Workforce Development Agency, and Governor's Office of Business and Economic Development (GO-Biz),

The undersigned organizations respectfully submit the following comments on the Community Economic Resilience Fund (CERF) and the CERF Planning Phase Guidelines.

We believe that the CERF has the potential to play a transformative role in advancing a just recovery from COVID-19 and the transition to a sustainable, more equitable, high-road economy. We recognize that there is no singular, top-down solution for economic development and diversification; it is essential that these solutions are driven by communities, workers, and, importantly, groups that have been locked out of prosperity by structural barriers and marginalization. Regional planning can be a vehicle for bottom-up economic recovery, transition, and development, but equity in this process is not inherent or automatic. Without strong guidelines that recognize imbalances in power, resources, and capacity, the CERF program runs the risk of repeating historic planning processes that have promoted a race-to-the-bottom, low-road economy, and have cemented the inequities we live with today. Aspirations of inclusivity ring hollow without firm requirements that ensure equity and community leadership in the planning process, implementation, and outcomes.

To ensure truly inclusive, equitable, and community- and worker-driven outcomes, we recommend the following changes to the CERF Planning Phase Guidelines:

- **Require regional High Road Transition Collaboratives to establish leadership bodies with a voting majority held equitably between labor and community, with multiple labor groups reflecting a diversity of workers across various sectors, and community-based organizations serving and led by historically marginalized and underrepresented groups.**

Although the Guidelines suggest that these regional planning groups should be "inclusive" and "consist of balanced and meaningful representation," there are no

clear requirements for who is at the table. This allows for the possibility of some regions lacking representation from key stakeholders, or perpetuating tokenizing processes of the past where community and labor groups are included in name only. It is not enough to include a single token representative in a much larger decision-making body; in order for this process to be truly community- and worker-driven, community and labor partners must play a leading role in guiding the planning process and have majority representation in leadership.

Clear decision-making structures allow for full accountability and transparency about not just who is at the table, but who is playing a leadership role. Too often, community and worker organizations are mentioned as being included in a process, only for them to be relegated to a marginal role without real influence or decision-making power. Requiring specific partners in leadership and ensuring they have equal decision-making ability can address existing power imbalances that often exist between stakeholders, where those without power lack the resources and capacity to influence the process even if they are technically at the table. There should be clearly established processes for decision-making and sharing information throughout the regional table.

Beyond requiring certain partners, High Road Transition Collaboratives should be encouraged to include a diverse cross section of other community and civic leaders with expertise in economic development, education, climate, and workforce development, as well as public health, racial equity, and environmental justice. Labor partners should be included across a broad range of sectors including the Central Labor Councils, Building and Construction Trades, as well as public sector, health care, and service unions, among others. All regional tables should demonstrate that they have reached out to the Central Labor Councils within their regions.

Applicants in each region should be required to name the organizations that will serve in leadership and/or decision-making roles, and articulate the structure of their regional table. The High Road Training Partnership (H RTP) program is a successful model for this, as they name high road employers and worker representatives as required partners in funding applications.

- **Require public processes and direct engagement with community members and residents.**

Throughout the research, analysis, and planning process, there are no requirements or even suggestions that community members should be directly engaged in this process. While representation through community-based organizations is one aspect of community inclusion, planning tables should also

establish a clear and meaningful public process to assist community members in meaningfully contributing to the development of the regional plans.

The Guidelines should provide clear and explicit requirements for regional tables to conduct meaningful public processes for community members to engage continuously and equitably throughout the planning phase. It is not enough to just demonstrate community support for proposed projects at the end of the planning process. Plans and investment strategies must be co-developed with the public, community members, and workers from start to finish. Projects should be able to demonstrate and document that public processes were incorporated and carried out throughout their development. Applicants should have a plan for community engagement, which includes funding set aside to allow for inclusive and accessible community participation. Those plans should address key aspects of community engagement such as a plan for targeted and accessible outreach, the frequency of engagement, a system for reporting and tracking, and the minimum number of community members to be engaged.

- **Require identification of specific workforce standards and high road elements for industries targeted for growth.**

The legislature and Governor *required* in the CERF budget trailer bill that all CERF funded projects include workforce standards *where applicable*. Workforce standards are the only sure-fire policy mechanisms that ensure that public funds result in high-quality jobs with priority access for disadvantaged and dislocated workers.

The draft guidelines at present are overly broad in directing applicants how to consider applying high road jobs standards to projects. In every project plan application, proponents should be directed to proactively identify *which* workforce standards would or could be applied to projects in any industry investment. This will enable OPR and implementing agencies to understand concrete steps that may be taken in the implementation phase to realize workforce standards.

The Request For Proposals (RFP) should require that “Projects shall identify specific labor standards applicable to each industry identified for investment to ensure family sustaining wages, benefits, predictable hours, and safe working conditions.” Additionally, OPR should provide an appendix to the RFP that identifies salient labor standards and in broad strokes how they could be applied. The appendix should at a minimum refer to pages 21-25 of the AB 398 Report and the workforce standards which are described therein (see [AB 398 report here](#)).

Additionally, in ‘demonstrating a clear role in regional strategy’ the RFP should ask proposers to additionally identify a fifth priority – that strategies or projects should not result in displacement of incumbent workers by other workers or firms doing the same jobs at a lower wage. For example, a strategy that aims to attract manufacturing businesses to a region by using training and workforce services to lower the area wage for manufacturing jobs would run counter to the goals of CERF and should be avoided.

In the draft Guidelines, analysis regarding industrial cluster development is tasked with taking into account a range of considerations, but is conspicuously lacking high road elements, including: job quality, worker voice, career pathways, climate impacts, and equity. Industries recommended to target for growth must be able to demonstrate that they advance goals related to job quality, sustainability, and equity. In addition to looking at industries as a whole, analysis should specifically include the actual jobs that are being targeted, with the understanding that high-road and low-road models can exist within the same industry. The goal should be to expand existing high road jobs and develop innovative partnerships to create new high road models where they do not yet exist. For example, there are opportunities to promote strong high road models within hospitality and care work, which may otherwise be considered low-wage industries.

As it stands, the planning process could result in recommendations to target industries or business models within industries that undermine climate, labor, and equity goals. This is at odds with some of the labor and climate criteria included in the “Identification of strategic investments” section, and creates the potential for misalignment between the strategic plans and the investment recommendations. The criteria included in the strategic investments should also be included as required elements of the strategic recovery and transition plans. This ensures that the research and industry analysis will capture the data needed to make strategic investments that meet the listed criteria.

- **Develop clear metrics that focus on equitable results.**

In addition to including requirements to integrate equity into the planning process, the Guidelines should also state that High Road Transition Collaboratives will need to clearly articulate metrics to evaluate their progress and success at achieving program goals. Strategic plans should specifically state the problems they are seeking to address, the goals they hope to achieve, and the indicators they will use to assess change over time.

These performance measures should track the investments made through the CERF program and their success in improving the material conditions in the region broadly, as well as the quality of the jobs targeted for impact by the program and outcomes for specifically identified communities and populations that are highly impacted by COVID-19, pollution, disinvestment, and other economic, health, and environmental burdens.

- **Offer flexibility for sub-regional models within the High Road Transition Collaboratives.**

Some regions may benefit from a sub-regional model that is more conducive to allowing more representative and inclusive participation by regional stakeholders. This is especially true for large and very populous regions such as Los Angeles and Bay Area, but may work well for many others. The Guidelines should provide clarity on options for sub-regional tables, co-conveners, and multiple coordinators. This not only gives regions flexibility to determine the best structure for them, but also provides ideas for alternative structures that some regions may not have previously considered.

- **Provide a more expansive list of example projects.**

While we recognize that this is not meant to be an exhaustive list, the current example projects listed present a very narrow conception of the kinds of projects the CERF program will support. Offering a more expansive list not only improves understanding, but also broadens the possibilities for what regional tables will consider for strategic investments. This list should be expanded to include examples like:

- Projects that prevent displacement and promote community ownership of land and housing through sustainable housing and land use projects
- Programs that promote worker-ownership and cooperative business models
- Expansion of High Road Training Partnerships and High Road Construction Careers
- Projects that build community resilience and ability for communities to respond to climate impacts
- Projects that prioritize public health, community health models, and bolster the care economy workforce
- Projects that remediate local toxics, pollutants, or industrial sites

These recommendations align with best practices for high road economic development, as described in the findings of the AB 398 report [Putting California on the High Road](#), and modeled by programs like High Road Training Partnerships and High Road Construction Careers. If the CERF program intentionally incorporates equity into the program design, rather than in name only, these regional planning processes have the potential to lay the foundation for an inclusive transition to a high road economy. To do this, *high road elements must be required* in both process and outcomes. While regions should use their local expertise to determine how to put those elements into action, they cannot be left as suggestions or abstract program goals. The CERF program must lift up leadership from community and worker voices, and ensure that plans are charting a new high road vision for the region, not simply doubling down on business as usual.

We submit these recommendations with the belief that, if they are incorporated, these Guidelines can be a model for regional planning that ensures equity, real and transformative climate progress, environmental justice, and high-road job outcomes.

Thank you for your consideration,

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