

April 26, 2024

Maria Linares

Good morning, I am the OCBC Business Initiatives Manager and I will be facilitating this meeting today.

Linda DiMario

I want to remind everyone that the Orange County Innovation Week begins Monday, April 29 and we are opening with a reception at the UCI Bell Applied Innovation.

Jesse Ben Ron

Starting with item 4 on the agenda, when we developed the strategies, you provided the original categories and it was the original structure of the RFQ. They have targeted industries, economic diversification, shock, equity, Health and Environmental Equity. We will have to select our target sector strategies.

Toni Symonds

What struck me specifically for Orange County is there may be very limited target sector strategies, given the level of sophistication.

Jesse Ben Ron

Once we can select the sector strategy and the sectors, maybe at the next meeting, then we can kind of build that out better to meet this requirement. The state picked it apart and they placed it into a broader strategy. It is not smart for us to wipe the slate clean and start all over. Our staff will have you all look at the final document multiple times before we submit that to the state.

Linda DiMario

Do they want us to justify why we are proposing what we are proposing? Are these checkboxes? If we deliver a proposal and it checks all the boxes but perhaps we're strong in six of these but not seven, then what happens?

Jesse Ben Ron

I think what they're trying to do is have some consistency, maybe in what's being delivered. This is just based on the strategies, not the project. This is just broadly speaking, how we're going to justify and explain how these strategies will improve the region and these various categories.

Ana Urzua

Projects will be selected by the state, right? The state will identify or select projects by sector as well?

Jesse Ben Ron

The state ultimately awards implementation projects, but it needs this group's approval. For catalyst funding, that's going to be just for this group and those are activities, not projects. Activities are things that need to be done for a project to ultimately get funded in the future such as feasibility studies, these are for this group to decide. With Catalyst, we can address sector or sector-neutral activities, so it is

broader. We must pick our sectors, but if something around transportation came up or childcare, and it may not be the sector, we decide on, there are still ways for us to explore and fund these activities.

Ana Urzua

My last question is about bonus points. If we felt that we had enough strategies with the process we've gone through already, are we going to want to go for bonus points?

Jesse Ben Ron

I would think that would be based on the strength of the project. Raising the bar or not is going to be at the discretion of you and your colleagues.

Apolonio Cortez

In Orange County there is a lot of talk about jobs, but not much talk about salaries. Orange County is one of the counties that is categorized as one that generates a lot of income but is very unbalanced in proportion to wages. Many communities are struggling with paying for basic needs.

Jesse Ben Ron

The work we are doing is to try to support that. In the industry sectors that have been mostly finalized, there's this understanding of how to uplift those jobs and how to make them more resilient. As far as adding new strategies, the group could add whatever you all choose but I would recommend we do not do that because it might get out of control as far as what the response will have to be to the state.

Maria Linares

I'll work with them on that next week when we sit down for our weekly meeting.

Jesse Ben Ron

Gracias, Apollonio. Background on the next section, the sentiment of the group has been that we want to keep things as broad as possible. The state did request that we become more specific. You will see that we went from a 2-digit NAICS to a 3-digit. What we did, if you saw it on the spreadsheet was create conditions to provide recommendations. In the spreadsheet, you'll see there's a color-coded section. We look at if there is a strong enough employment base for us to try to focus on this work. Chris will provide a greater explanation and amendment because they've done some more recent research about over 30,370. We've included the updated information in the agenda packet that's attached to this calendar invite, we did want to pick employment concentration over two, because that means it's pretty unique to Orange County. A score of one means we meet the national average. If we're twice as concentrated as the national average, it shows that it's unique to Orange County.

Christopher Duarte

Professor Parks thought it'd be important for us to update the CERF report that we produced last year, using current census data and looking at the economy as a whole and what that means. We have identified good jobs as both an empirical baseline and a goal in the CERF report. We're also working with the research team at Berkeley on how we adjust what a good job is just based on what's going on in the state.

Jesse Ben Ron

If you see the update, I think they went from 30 hours a week to 35 hours a week, many of these jobs aren't salaried, and they're based on an hourly wage. We have to recognize that we can make that clearer. We want to make sure that we are enacting the hourly wage floor.

Wallace Walrod

How we go from a 2 to 3 and 4-digit NAICS code. This is like a hierarchy. When you get to three digits, it gets more specific. As you go down from two to three to four it becomes more specific. The spreadsheet, on the left-hand column is clickable so you can go directly to the government website, and you can navigate around. But that's a good way to get a description of the industry, some of the occupations that are in that particular industry, etc. I am happy to have a separate session to walk through that if necessary.

Toni Symonds

It would be great to have a separate webinar, just to go if we're just talking about would be great. Something else that might be helpful is a short slide deck that is static. Do we have a criteria for selecting industries that align with one of the requirements in statute?

Wallace Walrod

Well, fortunately, all those sectors that are going to be proposed here have numerous jobs that fit the criteria you just outlined.

Linda DiMario

Dr. Walrod, NAICS aren't known for their regular and consistent updates. How might we be able to manage or mitigate the evolution within these job descriptions?

Wallace Walrod

I think that's a good point, Linda. NAICS is not good at capturing emerging industries. We'll have to continue to monitor that.

Jesse Ben Ron

I mentioned it at the previous meeting, that there was at least one at the time that only met one criteria. Given the sheer size of it, would this group consider accommodating that as an industry priority, which is the food services and drinking places? The other that I would now have dimension is education services, given the updated data set from UCI Labor Center, I think it brings it up to 45,000, approximately, so that puts it right under. However, if we don't proceed with educational services for that reason, then it won't be represented. And I think we still want to honor the decisions that were made because we had the best information at the time.

Melanie Schlotterbeck

As we got more specific, we also started excluding individual sectors. What's the incentive to continue to participate? The system is set up unjustly. I'm not expecting a response or even a solution, but I'm just pointing it out from our perspective.

Jesse Ben Ron

Melanie, selections had to be made, but we kept it as broad as we possibly could. Part of the intent was to keep as many people at the table. Every sector that we're going to pick here needs to have an explanation about its climate impact, and how can it improve given the state's climate goals. If we think about the regional plan, part two, this strategy selection is half of it. The other half, which is later on in this call, is how we're going to continue to proceed with ratifying some set of strategies. I'm happy to meet with the environmental community and others if we want to try to talk through this more.

Linda DiMario

Melanie, I'm looking at the process that we've been involved in, and climate and all of its implications have been part of this from the beginning. I'm looking at the target sector strategies, and I'm seeing institutionalizing community-led climate, planning. This is a huge opportunity for the environmental community to play in almost any proposal that's made on any of these sectors because we need to look at things differently than we have looked at them in the past.

Jesse Ben Ron

It's valid what Melanie is saying. It is an opportunity for our partners to start embedding themselves in any proposal to make sure it's meeting the climate objective. I'm happy to have that conversation and try to work with the state on what could be our ideas, but also what does the state have planned? Because they have to realize that this can't be everything and so what is it that they want to communicate when they have state agencies that are supposed to be working with these stakeholder groups on a more frequent basis?

Katharyn Muniz

I agree that it's an opportunity for those in the environmental space, to have a part in this.

Cesar Covarrubias

Part of what I'm also feeling is that we're working to try and incorporate these goals into these priorities and some of them are very directed towards economic development. We see at the state level that climate and affordable housing, are a big priority.

Jesse Ben Ron

Yeah, that's it if you want, if you want to follow up, happy to kind of facilitate that.

Nancy Saloman

I'm voting for staff recommendations. But I also want to recognize that environmental concerns, affordable housing, health equity, all of those things are systemic through all of these sectors and we would not be putting forward something that should be approved unless we recognize that in the strategies that we put under the sector.

Ana Urzua

In the chat, Christopher says that he would like to state that we view good jobs as both an empirical baseline and a goal and that an industry that doesn't necessarily have good jobs should still be considered.

Jesse Ben Ron

This is a question of trying to balance the two, this group does have to make some selections. As a group, you can decide to pull certain things out, you can approve a big bulk of that list, or you can vote individually.

Ana Urzua

Thank you, I am catching that the blue are the selected ones. I think social assistance captures the childcare, housing, emergency and relief industries and I am wondering if that should be swapped by the hospitals and doctors in particular.

Jesse Ben Ron

The green meet all three. If you look at the orange color, then we're back to submitting the five digit NAICS code. We can't send the state a list of 50.

Wallace Walrod

That is an average. There are a lot of very low-wage jobs at hospitals, food services in hospitals, janitorial, etc. The thing about healthcare in general, is there are great career pathways for somebody who gets an entry-level low-paying job to move up the ladder very quickly. I would not exclude hospitals at all. I think that's a bad idea.

Jesse Ben Ron

In all these, the wages could vary widely within it. It's open, how do people feel about social assistance?

Iosefa Alofaituli

To clarify, child daycare services falls under social assistance. I think by not excluding it, we are in essence, excluding that category of jobs. That is a reason to pause and to consider it.

Kathy Boyd

I was listening to the social assistance, aspect of the perspective. But in education, every single possible sector, or cross-sector, or microorganism of a sector is available. The pathways that we've constructed through all of our educational systems, hit entry-level jobs, mid-level jobs, and professional skills level jobs, or the highest level of jobs. It's really inclusive of every sector, every level.

Jesse Ben Ron

Is anyone opposed to that? You're going to have that discussion amongst the group. If everyone is comfortable with that, we can add that. If we amend with the addition of this, does the group feel comfortable with us communicating to the state, and then with permission, we can communicate to our broader region?

Maria Linares

Ana approves to proceed with the 12 plus social assistance as the recommended strategies. Juan seconds.

Toni Symonds

Are we talking about the statement of work for the sector investment coordinators? Are we talking about the selection of the industries? Because I see them as two separate pieces?

Jesse Ben Ron

The sooner we make these decisions, the sooner we can, include that in those discussions and include that in how we communicate when we do go out with that. RFQ. All those in favor, if you could type aye, raise your hand, or provide a thumbs up.

Maria Linares

Nobody raising hands or anything? No, opposed. Everyone's in favor.

Jesse Ben Ron

They approved the list of 12, which is on the PowerPoint slide. We will include social assistance, and submit that to the state. We will see if the state is comfortable with the numbers selected. If they are comfortable, we can proceed with communicating that to the broader community. If the state says we need to narrow this further, then we will do so but for now, this is the list we will proceed with. Moving on to the next part of the agenda is the RFQ. Hopefully, at the next meeting, we can approve what is on this document. Please review this, we are not finalizing this today but we do seek comments. Our fiscal agent will have to include whatever is necessary from a compliance standpoint.

Toni Symonds

Can we schedule office hours where people can come and talk to you about the solicitation? I get that you're going to want us to approve it at the next meeting.

Jesse Ben Ron

We can totally set that up. People prefer the email option, but of course, we can have a platform where it's more of a conversation.

Melanie Schlotterbeck

My question is about the references. Are you specifically looking for a list? I didn't see any clarity in the packet. Or is this something similar to letters of support?

Jesse Ben Ron

I think the references would be like a job reference. Thanks for that suggestion, Melanie. Let's adjourn and I'm happy to stay on if people want to look at this more.

Maria Linares

I adjourn this meeting at 10:00 am and quick reminder, we do have a meeting on May 17.