

# October 28 Podcast Transcript

Eloy: Hi, this is Eloy Ortiz Oakley, Chancellor of the California Community Colleges, and you're listening to another episode of the "California Community Colleges Chancellor's Office" podcast. Today, I'm joined by Lenny Mendonca, Chief Economic and Business Advisor for the state of California and the office of Governor Gavin Newsom. Welcome, Lenny.

Lenny: Thank you, Eloy. It's great to be here.

Eloy: So, a little bit of background about Lenny. Lenny Mendonca, as I said is the Chief Economic and Business Advisor to Governor Gavin Newsom and is also the Director of the Governor's Office of Business and Economic Development. Lenny has extensive background but most recently, he was Senior Partner Emeritus McKinsey & Company and is a Lecturer in Inequality at the Stanford Business School. He's also served on many boards, most recently on the boards of Western Governor University, UC Merced, the Educational Results Partnership, the College Futures Foundation where I have the pleasure of serving with him, California Competes and the Opportunity Institute.

Eloy: So Lenny, just to jump in, Governor Newsom appointed you to this very important role. You also oversee the work that happens in the GO-Biz office. Can you tell our listeners a little bit about what you're doing for the governor and the importance of the initiatives that you've begun to work on, especially since you've already been in the role a short period of time, but so far there's been a lot of activity going on in your area.

Lenny: Sure. Thanks, Eloy. The main frame as we think about the future economy of the state of California is that it's an incredibly vibrant and rich economy. We're at a record number of months of consecutive job creation. California employers have put more money and wages in the pockets of California workers than the next two states, Texas and New York combined. And that's all great but California is not working as well as it could for everyone. So, the real aspiration of all of what we're trying to do fits with the governor's overarching theme of the California For All, which is that we'd like to sustain as long as we can and even extend the vibrancy of the economy, job creation and its innovation. But, what we really wanna do is work to ensure that the fruits of that are much more inclusive, spread more broadly across the state, geographically and demographically, and that it's done in a context of understanding that really needs to be sustainable and resilient to

everything that's coming at us, things that we can see like climate change and severe weather events, but also things that may happen and we can't see, but we know are somewhere down the line like the end of recovery, or another natural disaster of some sort.

Eloy: So clearly, for many of our listeners and all of our students in both the community colleges and our other higher education systems, the economy is such a critical part of their daily lives, and so much of their aspirations are about increasing their social and economic mobility, particularly how it links to post secondary education. What are some of the things that we need to think about doing more of or doing different to make sure that the economy works for more Californians, particularly those who are aspiring to come through our higher education system.

Lenny: The California Education System, particularly its post secondary education system and at scale, the community college system are perhaps the greatest element of ensuring that there is broadly shared economic mobility for the residents of the state of California. The opportunity to have the sets of educational experience, skills, networks, access to employment for the jobs that are being created in the state is a fundamental role of post secondary education, and it's crucial to the future economic success of the state of California. You know, if you have opportunity to have had a post secondary education, completed your degree and particularly if that degree is in areas of high demand job growth, you have the opportunity to participate in the California dream. And the beauty of the California higher ed Master Plan is that we make that available to all citizens of the state of California, all residents of the state. The challenge is we just need to make sure that more people have access and complete that because true today, it's gonna even more true in the future of work, that to be able to have that opportunity, to participate in that dream, you are gonna need education, post secondary, and you're probably gonna need life-long education.

Eloy: Right. So, you're a native Californian, correct?

Lenny: I am.

Eloy: Well, great. There's at least two of us in this state. But, you grew up in a city called Turlock, right? It's in the San Joaquin Valley. Clearly, there are challenges in the San Joaquin Valley, particularly in terms of economic

development as well as access to completion of post secondary education. How does that experience growing up in a community like Turlock, inform your role now, and what are some of the things you think about in terms of how the work that you're doing relates to lifting people, not just across California, but particularly in those areas that have had stubborn, low employment levels or low post secondary educational attainment levels?

Lenny: I think about it all the time and it's fundamental to what we're trying to do in the governor's office around trying to create a California For All. As I said, there are big geographic disparities in the state. You know, 70% of the job growth has happened in the coast. The bulk of the population growth is happening in the center part of the state, the central valley where I grow up and in the Inland Empire, and we have to make sure that the California dream isn't dependent on where you live, but it's dependent on the opportunities that are presented to you and that you take advantage of. And one of the reasons that I was excited about joining this team and participating in this economic agenda for the governor is that he has a real focus on trying to ensure that that California does work for all. We've launched an important effort called Regions Rise Together, that's really about trying to change the mental map of California, to ensure that it's not just the pictures that you see in Hollywood of Disneyland or Golden Gate Bridge, but that the richness of the center part of the state is part of that narrative as well. And a really important part of that is to increase the access and degree completion post secondary in those parts of the state. There are terrific educational institutions there. Town that I grew up in is Stanislaus State. Just down the road in one direction is Modesto Junior College, in the other direction into other community college as well as the University of California Merced, and those are really among the most high achieving schools in terms of advancing economic mobility, not just in the state of California but any place in the United States. And so, fundamental to the economic success and the California dream in that part of the dream is really improving the number of students who go to and complete post secondary education at those great institutions.

Eloy: So, both your background experience and now your current roles put you in a position to really think about how to influence both the job creation that happens in the state as well as the job training in the post secondary education. The governor recently formed the Future of Work Commission, which you are a big central part of. But, he also just recently launched the

governor's council for post secondary education. What do you see the role of those two councils or commissions and how do you see them intersecting?

Lenny: So, those are two important initiatives that the governor launched recently that are all part of this equation around trying to make the California dream real and the Future of Work Commission is a public commission that's looking at how is the future of work going to evolve over the next decade or two. So, it's a longer term view of as technology, as automation, as robotics, as globalization hit the state of California, many of those technologies are invented in California and applied here first. And so, they will have impacts, they already are having impacts on work and they will even more so in the future, and how do we continue to encourage the innovation and the wealth creation and the consumer benefit that comes from those innovations, but ensure that all of our institutions are prepared so that those innovations benefit all. And that particularly, our post secondary and our labor market institutions are aligned to ensure that we're prepared for as those technologies impact work, that we continue to have high quality job creation and life long opportunities for people. And so, that commission is composed of a broad group of participants from business technology, labor, post secondary education, research, investors, and we're only having our second meeting this month. So, we're in the discovery stage and we'll be talking more about what the implications of that are for the future of work in California over the course of the next year.

It will link closely to the governor's post secondary council, which you and I are both part of, which is an effort to bring particularly the leaders of the segments in post secondary education in the state, including the private institutions together with business and labor, to talk about how do we better meet the needs of the current students and current needs of that opportunity in the state of California. They'll have to connect as they have a view around, a much longer view about where the future is going. I'd say the post secondary group is much more focused on what could we do now as well as be prepared as the future plays itself out.

Eloy: So, let's talk about the future a little bit since I know that's been on your mind quite a bit, not only the future here in California, but the future in work across the country, across the globe with the rapid pace of automation, the leveraging of artificial intelligence. What are some of the things that you think both California community colleges can do or do differently, as well as

our entire system of post secondary education? What are some of the things that you think we need to think about doing in order to better serve not only the existing pipeline of students, but the changing needs of workers going forward?

Lenny: So first of all, I'll tell you what I'm not worried about. There is not a robot apocalypse coming. We're not gonna be...

Eloy: Oh, robots are not gonna do this podcast?

Lenny: No, they're not. They're not gonna lead the California Community College system either, so your job's safe, Eloy.

Eloy: Some people may want a robot to lead the California...

Lenny: Could do a better job. Just kidding. There are people who believe that this is a future where there are gonna be no jobs, or everyone's job gonna get automated away and I don't believe that. I think a more reasonable view is that first of all, this is gonna take a reasonable amount of time to play out. But secondly, it's gonna impact a little bit of everyone's job as opposed to just eliminating jobs. And what it's gonna do is require that parts of people's jobs that could be automated, often mundane or routine tasks, are gonna be done that way that will free up time and opportunity for you to be more productive and do other things. But, that does mean that you're gonna have to have a different set of skills, not just once, but over your lifetime to be able to take advantage of that. And I think there are important implications for our post secondary education system here and across the country.

We're in the midst of another industrial revolution and the last two that were around, going from agriculture to manufacturing and from manufacturing to service work, had huge implications for our post secondary education institutions, even our primary institutions. The first wave of going to agriculture to manufacturing was when we first had universal high school, because people had to have the sets of skills to operate in factories. And we went from factory to offices is the dramatic expansion of our post secondary institutions, including a dramatic expansion in federal support for them, land grant institutions, the California Master Plan's 55 years old now. I think we're likely to have that same level of need for thinking about what do we do with our skills and skill development and post secondary education institutions as

we enter this next era. And to me, it's as likely to be about thinking about you're not doing all of your learning in your teens and 20s and earning for the rest of your life, but you're doing all of that throughout your life and continually learning. And to me, that's not a robot apocalypse, that's exciting. Most people like to learn and do new things throughout their life. And so, I'm excited about it and it creates real opportunities for the innovation that's most pronounced in California's post secondary education institutions, both historically and today.

Eloy: Well, I'm particularly glad to hear you talk about changes that are happening in terms of opportunity, not about scarcity, not about who's going to be losing their jobs but how are we gonna create new jobs. And I think for us in the California Community Colleges, that's something that really resonates us because that's what we're built for, to begin to create opportunities for people. And one of the impetuses for the creation of the California online college, now Calbright, is to be able to create one additional tool to create continuous learning platform for skilling and upskilling. So, I'm glad that that's a way we're thinking about it. What if anything do you think we, in the California Community Colleges, need to be thinking about doing more of so that we can be in a position to support workers in the future?

Lenny: One of the things that I know is already part of the DNA of the community college system but is going to have to be even more so in the future is a direct connection to the employer community around what the local needs are for what the jobs that are...the requirements of those are. And it's gonna be an environment where those job skills are gonna change much more rapidly. So, being a continuously innovative system where you're working with the local employer base to adapt the curriculum and ensure that people have that opportunity I think is one. And the second thing is one that I hint at a little bit earlier. I do think we're gonna be talking a lot more about adult learners rather than just people who are entering the community college system from high school. And I know that's a big part of the system today but I think it's gonna be an even more important one going forward.

Eloy: So, let me switch gears just a bit. You spend a lot of time thinking, writing, lecturing about inequality in California and the country. You've talked about the challenges we faced with the housing shortage, the wealth inequality that exists. What are some of the things that you think we need to

do as a state to begin to close that gap to really create more opportunity for more Californians?

Lenny: You know, I think it is kinda all of the above. There's no silver bullet to reversing what has been not just in California but broadly across United States, a decline in economic mobility. When I graduated from the high school system in California, economists said that at that point in time, there was a 90% chance that I was gonna have a better economic life than my parents did. And today in California, and it's partly dependent on your geography and unfortunately too often your demography, that can be a coin flip. And that's really troubling. It shouldn't be that whether you have a better life or not is a flip of a coin. And so, we really have to focus on reversing that and I think it's gonna have to include elements of ensuring that there is high quality job creation, so that the robustness of the economy is really important. California's been very good at that. Not as spread as widely as it could, but pretty good at it. We have to find ways that everyone has the opportunity to participate in that, which is where our post secondary education institutions in the community college system are fundamentally important. We have to lower the cost of living in California. That's fundamentally about housing. We have to build more housing to keep up with that job creation. Housing is closer to where people work and the jobs need to be closer to where people live, because today what's happened is too often people are commuting two hours and clogging roads in single passenger cars to get to that opportunity. So, we need all of those and we need to think about that in a way that we enter it with enthusiasm. I mean, I don't think there's a place in the world that is as well suited for trying to tackle that than the state of California. Fifty-percent of the venture capital in the entire country comes to California. You know, we are the innovation capital of the world. We need to apply our innovation to thinking about how do we make the California dream work and economic mobility of fundamental objective for what we're trying to do.

Eloy: So, as we begin to close this very interesting and enlightening conversation, Governor Newsom's office, your office is really embraced this notion of a California For All. So when I ask you as we close, what does California For All mean to you, and is there room in that for both San Francisco Giant fans and LA Dodger fans?

Lenny: You're asking the hardest questions. So, there certainly is a California For All for anyone, no matter where you grew up, no matter whether you were born in California or you migrated to California. And it doesn't matter what any of your other demographic characteristics are. You ought to have that opportunity to participate in the California dream where you have a great life for yourself and your family. It doesn't mean that you have the right to root for any baseball team that you'd like however. So I'm sorry, that's not part of the overall objectives.

Eloy: Well Lenny, thank you so much for spending some time. I know you've got a million things going on here but thank you for being here.

Lenny: Well, thank you for all you do, Eloy, and look forward to the World Series this year.

Eloy: I will be too after tomorrow. You've been listening to another edition of the "California Community College Chancellor's Office" podcast. I'm Eloy Ortiz Oakley, Chancellor of the California Community Colleges and it's been a pleasure to talk with Lenny Mendonca, senior advisor to Governor Gavin Newsom. Lenny, again thank you for being here, and for our listeners, thank you for listening and stay tuned for the next edition of the "California Community College Chancellor's Office" podcast. Thanks for listening.

Man: Be sure to join us for the next California Community College's podcast. This has been a California Community College's presentation.