

**Community Economic  
Resilience Fund (CERF)  
Program  
Supplemental Report –  
June 30, 2023**

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## Executive Summary

Established by Senate Bill 162 (Committee on Budget and Fiscal Review, Chapter 259, Statutes of 2021), the Community Economic Resilience Fund (CERF) program aims to build an equitable and sustainable economy across California’s diverse regions and foster long-term economic resilience. The Inter-Agency Leadership Team, including the Labor and Workforce Development Agency (LWDA), the Employment Development Department (EDD), the Governor’s Office of Planning and Research (OPR), and the Governor’s Office of Business and Economic Development (GO-Biz), is responsible for managing, designing, and administering the CERF program. EDD is specifically responsible for managing funds and contracts, which includes annually reporting grant data and progress on CERF program objectives and specified metrics beginning December 31, 2022.

This document fulfills the secondary reporting requirement of Senate Bill 162—to deliver a supplemental annual report beginning June 30, 2023, that details key findings on regional trends in sustainable economic recovery, and common challenges in the development and implementation of high road transition strategies.

Since the first report, the Inter-Agency Leadership Team has awarded \$65 million in planning grants to 13 applicants; selected an organization for CERF program evaluation; released the Solicitation for Proposal for the CERF Economic Development Pilot Projects; selected eight projects for the CERF Economic Development Pilot; and released the Solicitation for Proposal for the CERF Tribal Funding Opportunity Intermediary.

Key preliminary CERF program findings include a need to develop capacity to meaningfully engage a diverse group of stakeholders, a need to invest further into regional capacity building to enhance existing local community strengths, and a need for High Road Transition Collaboratives (HRTCs) to be representative of the diversity of their respective regional economies.

## Introduction

The Inter-Agency Leadership Team continues collaboration efforts towards the successful implementation of the CERF program. The objective of CERF is to build an equitable and sustainable economy across California’s diverse regions and foster long-term economic resilience. To achieve this objective, CERF includes a focus on investments that target equitable economic outcomes for workers. The means by which CERF aims to achieve this objective is through regional and worker-centered inclusive economic planning while aligning with and leveraging state investments (e.g., High Road Training Partnerships, infrastructure investments, community capacity building programs), federal investments (e.g., Economic Development Administration’s Building Back Better Regional Challenge), and philanthropic and private-sector investments.

The program establishes and provides financial support to the High Road Transition Collaboratives (HRTCs) in designing region and industry-specific economic recovery and transition strategies that help diversify regional economies and develop or expand environmentally sustainable industries that create high-quality, broadly accessible jobs for all Californians. The program’s subsequent investments will

support the advancement of a high-road economy that meets community or industry needs within a region or across multiple regions. To achieve the program objectives, the CERF program identifies the following cores values:

**Equity:** Investments must prioritize the needs and interests of disinvested communities across the region. Prioritizing equity requires identifying how the benefits and burdens of economic development, regional planning, and other relevant processes are distributed in and across communities.

**Sustainability:** Investments must advance economic development that is self-sustaining and aims at a carbon-neutral, climate-resilient economy that addresses the needs of the region's communities.

**Job quality and access:** Investments must prioritize jobs that provide a family-sustaining wage, health benefits, a pension, worker advancement opportunities, a safety net, and collective worker input. These jobs are stable, with predictable schedules, and safe working conditions. Quality jobs must be accessible to communities throughout the region, with a specific focus on equitable access for members of disinvested communities and other groups facing labor market barriers.

**Economic competitiveness:** Investments must strengthen the region to compete effectively in the global economy and deliver prosperity to the region. This includes leveraging a region's comparative advantage, diversifying its economy, and training its workforce to prepare for jobs in emerging industries.

**Economic resilience:** Investments must focus on improving the region's ability to avoid, withstand, and recover from economic shocks. This includes foreseeing, adapting to, and leveraging changing conditions to a region's economic advantage.

### CERF Program Key Activities

#### CERF Planning Phase

**Funding Awarded:** \$65 million

**Number of awards:** 13

During the Planning Phase, the CERF program awarded \$5 million planning grants per HRTC per region in 13 regions for a total of \$65 million in planning grants. The various applicants for the planning grants described in the first CERF report have initiated their work, and the Inter-Agency Team is in the process of reviewing their first deliverable, the Planning Phase Plan. The HRTCs are composed of an administrative Fiscal Agent, a Regional Convener, and a wide range of diverse partners, reflecting the diversity of each region. Planning grants are administered jointly by the Fiscal Agent and/or Regional Convener.

The HRTCs work across industries, agencies, and communities to encourage engagement from all stakeholder groups; create inclusive and equitable economic plans; build capacity; break down silos to

maximize the effectiveness of planning and implementation projects; and generate systemic change and economic resilience.

The CERF Inter-Agency Team held a two-day kick-off event March 22- 23, 2023, in Sacramento for the CERF Planning Phase. The purpose of the event was for each HRTC to meet with the state and respective regional partners to discuss best practices for equitable and inclusive economic planning.

On day one, Valley Vision, representing one of the 13 HRTCs, held a regional spotlight tour that included a visioning workshop to inform the Planning Phase of each HRTC's grant project. After the workshop, Valley Vision gave presentations showcasing the Greater Sacramento Area's local innovation system and inclusive economic planning.

On day two, the HRTCs were welcomed by Director Dee Dee Meyers of GO-Biz and Director Sam Assefa of OPR. Attendees then heard from USC Professor, Manuel Pastor, and UC Santa Cruz Professor, Chris Benner, talk about the importance of an inclusive economy and the role that mutuality and connection play in shaping inclusive economies. The HRTCs also attended a series of workshops titled "Building a Table That Centers Equity to Achieve Prosperity in Your Region," "CERF Use Cases in Action," and "CERF Evaluation Process - Your Evaluation Partner." As the two-day event concluded, LWDA Secretary, Stewart Knox, provided a look ahead for CERF HRTC Partners.

During the second and third quarters of 2023, the HRTCs will work on the first two deliverables of the Planning Phase. The first deliverable is the Planning Phase Plan which includes the structure of the HRTC, including the governance structure and estimated expenses for key activities such as convenings and the development of a comprehensive plan for the region's High Road Transition. Following the completion of this deliverable, the HRTCs will submit the Regional Summary Report Part 1 on August 31, 2023. The Regional Summary Report Part 1 presents a baseline of the region. It considers the region's stakeholders, assesses the factors affecting the region's economic, environmental, and health conditions, and conducts detailed economic and workforce analyses. The intention is to ensure that the plans take a full account of the factors shaping economic development in the region before developing strategies for recovery and transition.

### CERF Program Evaluation

**Funding Awarded:** \$3.3 million

**Number of awards:** 1

On March 24, 2023, EDD, on behalf of the CERF Inter-Agency Leadership Team, announced the award of \$3.3 million for the CERF Program Evaluation Solicitation for Proposal (SFP) for Program Year (PY) 2022-23.

The Mark USA, Inc. (The Mark), in collaboration with the CERF Inter-Agency team and the HRTCs, will lead the design and implementation of the evaluation program for the planning and implementation phases of CERF. The Mark is expected to serve as a learning partner and provide data-driven recommendations to inform the decisions of the CERF Inter-Agency Leadership Team and the HRTCs. The outputs of the evaluation will inform adaptations, shifts, and recommendations as new lessons emerge with the goal to support real-time feedback and learning.

The program evaluation will examine the CERF theory of change – the inputs provided by the State (funding, technical support, and coordination), the outputs (quality of HRTCs and their regional economic plans), and the outcomes (such as job quality and access for workers, climate-smart industry development, and sustainability of HRTC funding).

The contract with The Mark, the program evaluator, was executed on June 1, 2023. Recommended performance metrics that align with the program performance measures, goals, and objectives will be established in late 2023.

### Economic Development Pilot Projects

**Funding Availability:** \$50 million

**Number of Awards:** Up to 13 projects

*Final awards may be adjusted depending on the number of successful submitted proposals.*

EDD, in collaboration with LWDA, OPR, and GO-Biz, announced the availability of up to \$50 million in the Economic Development Pilot SFP for PY 22-23. The purpose of this SFP is to fund projects that have already emerged from existing regional processes or plans and are ready for implementation. This gives regions the opportunity to showcase innovative projects that advance the goals of CERF. These projects will align with the high road focus of the program and will demonstrate potential uses of CERF Implementation Phase funding.

The Economic Development Pilot SFP closed on February 13, 2023. Award announcements and project start dates are pending.

### CERF Tribal Funding Opportunity Intermediary

The CERF Inter-Agency Leadership team has set aside \$25 million to specifically fund Tribal communities' efforts to achieve CERF objectives. All California Native American tribes ("Tribes") are eligible for funding under this award regardless of their participation in the CERF regional planning process.

The CERF Inter-Agency team plans to identify an entity or consortium of entities that would serve as the Fiscal Agent for the funding. This process removes administrative barriers for applicants and alleviates capacity constraints. The Fiscal Agent will be eligible for up to 10% (\$2.5 million) of the funding for administrative costs, leaving \$22.5 million for Tribal planning and implementation projects. The SFP will include requirements for the Fiscal Agent, and general stipulations for the \$22.5 million available to Tribes.

The CERF Tribal Funding Opportunity Intermediary SFP was released on July 14, 2023.

## CERF Program Key Findings

### CERF Program Challenges – Meaningful Engagement

Through on-going program development discussions, engagement with the HRTCs, and the two-day Kick-Off Meeting, we have identified that all HRTCs lack capacity to meaningfully engage a diverse group of stakeholders. The success of HRTCs in building inclusive planning depends on various factors, including meaningful engagement and partnerships. The planning phase investment into the 13 CERF regions (\$5 million per region) will support the development of community engagement and outreach

strategies that ensure community voice is centered without overtaxing community partners in the process.

### CERF Program Challenges – Capacity Building

Investments into regional capacity building are critical for the continued engagement of local partners. Through the CERF program, regions must strengthen local coordination, leadership, knowledge, skills, expertise, and access to resources in communities with the goal of helping to develop or increase the ability of that community to organize or access inclusive economic planning efforts, access funds, or implement projects in the future. Capacity building activities in each region vary, and as the CERF program progresses, we continue to identify ways in which state and federal resources, private capital, and philanthropic resources can be leveraged to meet the needs of the regions.

### CERF Program Challenges – Regional Diversity

Given California's size and complexity, the CERF program established a regional approach to the development of a roadmap for California's economic future. The regional approach provides flexibility for economic analysis at various geographic scales, including economic flows between different regions. The HRTCs need to be representative of their regional diversity, and partnerships should account for diversity across sectors, subject matter expertise, lived experience, and inter-generational perspectives to serve the CERF Region effectively. There is not a one-size-fits-all model to approaching this work, which presents challenges as we ensure that each region meets the intended outcome of the CERF program.

## CERF Next Steps

### CERF Planning Phase Toolkits

The Governor's Office of Planning and Research prepared a series of toolkits that will support the regions with examples, frameworks, and resources throughout the Planning Phase. The first set of toolkits, provided April 27, 2023, address the following: Collaborative Governance, Community Engagement, Data, and Data Resource Examples Spreadsheet.

### Communities of Practice

Starting in April, the CERF Inter-Agency Team began hosting monthly Communities of Practice with the HRTCs. These meetings will be scheduled for the fourth Thursday of every month with members of the CERF Inter-Agency Team facilitating an array of topics related to the goals and objectives of the CERF Program.

### CERF Technical Assistance Survey

The CERF Inter-Agency team is committed to providing robust technical assistance and capacity-building support to all communities. The objective throughout the Planning Phase process is to provide enough support for all communities to actively participate in co-designing a new economy for all Californians. Therefore, the CERF Inter-Agency team developed a 20-minute survey to help identify priority areas within our technical assistance and capacity-building strategies to better serve all CERF regions.

## Community Economic Resilience Fund Program



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