

Assembly Committee on Jobs, Economic Development, and the Economy

DATE: March 17, 2015

TO: Interested Parties

FROM: The Assembly Committee on Jobs, Economic Development and the Economy

RE: Briefing on the Informational Hearing "*Major Economic Policies and Programs of 2015*"

On Tuesday, March 17, 2015, the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) will be convening the second in a two-part series of informational hearings designed to provide committee members with a foundation from which to undertake the committee's primary missions of overseeing current state programs and evaluating legislative proposals.

In the first hearing committee members were briefed on the California economy including demographic and economic trends affecting business development. Presentations in the second hearing will focus on policies, programs, and other initiatives intended to enhance California's business climate.

The first panel focuses on two key drivers of the state's economy – the quality of the workforce and the institutions and systems tasked with preparing that skilled workforce. Among other related topics, panelists will discuss current initiatives designed to create a more integrated education and workforce development network that is responsive to the needs of dominant and emerging industries, as well as addressing the needs of workers who face special challenges to employment. Presentations will be made by:

- **Brian McMahon**, Senior Advisor to the California Labor Agency
- **Tim Rainey**, Executive Director of the California Workforce Investment Board
- **Van Ton-Quinlivan**, Vice Chancellor of Workforce and Economic Development of California's Community Colleges and Co-Chair of the Workforce Action Team of the California Economic Summit
- **Jim Mayer**, President & CEO of California Forward, which serves as one of two lead partners for the California Economic Summit

Using the programs and services of the Governor's Office of Business and Economic Development (GO-Biz) as a framework, presentations in the second panel will address the broader array of economic drivers that form the foundation of the California business climate. Topics will include programs and services to enhance business capital formation, develop infrastructure, open foreign markets, attract new investments, and remove government regulatory impediments. Presentations will be made by:

- **Kish Rajan**, Director of the Governor's Office of Business and Economic Development
- **Paul Granillo**, President & CEO of the Inland Empire Economic Partnership and Co-chair of the California Economic Summit Steering Committee

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- *Dorothy Rothrock, President of the California Manufacturers and Technology Association*

A public comment period will follow the seven scheduled speakers in order to provide an opportunity for other economic development professionals, business owners, and the general public to add their voices to the dialogue.

Persons interested in providing testimony during the public comment period can either sign-up through the JEDE Committee Office 24 hours prior to the hearing, or on the Public Comment sheet that will be available at the Sergeants desk during the hearing. Written comments may also be submitted to the JEDE office up until April 30, 2015.

This memorandum provides general information on the state economy, background on key workforce and business development initiatives and programs, and related annual and special reports by state agencies. The appendices include a number of fact sheets and short pieces developed by the JEDE staff, as well as materials provided by witnesses and other stakeholder groups. *Among other appendices, Appendix 2 includes a list, compiled by the California Association for Local Economic Development (CAELD), of 2015 policy priorities for nearly a dozen economic development stakeholders and Appendix 7 includes a list of nearly 40 recently introduced economic development related Assembly bills.*

The California Economy

California is home to over 38 million people, providing the state with one of the most diverse populations in the world, often comprising the single largest concentration of nationals outside their native country. In 2013, this diverse group of business owners and workers produced \$2.2 trillion in goods and services; \$168 billion of which were exported to over 220 countries around the world.

California's diversity advantage also extends to the range of geographies and dominant industry sectors. Many policy makers and economists describe California as having not a single economy, but having a highly integrated network of a dozen or so regional economies. While biotech has a comparative advantage in some regions, information technology drives growth in others. This economic diversity is one of the reasons California was able to so aggressively move out of the recession, ranking number two in the nation by *Business Insider* for fastest growing economy in the nation in August 2014 and as having the fourth best overall economy in March 2015. While California's 2014 GDP will not be reported for several more months, its 2013 GDP ranked the size of California's economy as 8th in the world – larger than Canada, Mexico, Russia, India, and Australia. *Additional details on the California economy can be found in Appendix 2 and Appendix 4 includes charts and economic data by industry sector from JEDE's February 2015.*

The Employment Development Department (EDD) has forecasted that California will add over 18 million jobs between 2008 and 2018, which includes 100% recovery of the number of jobs lost during the recession. A significant portion of this projected growth, however, is dependent on the long-term strength of those industry sectors that are linked to consumers and supply chains outside the state.

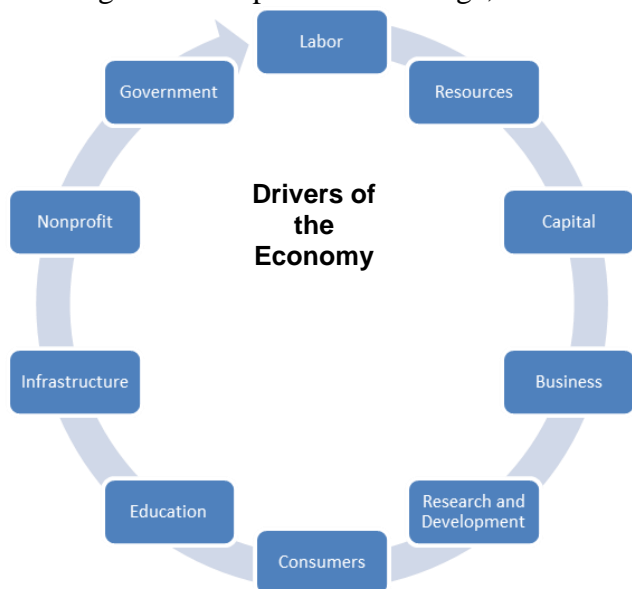
Advances in transportation and communication technologies are encouraging the development of previously undeveloped markets and expanding multinational business opportunities. Today, four of California's top five exports include component parts, which leave the state to be assembled and/or partially assembled before returning.

These trade related industry sectors comprise a majority of what EDD has designated as the state's "economic base" sectors, which include professional services, manufacturing, and transportation, among others. Employment in these economic base industries represents 37.3% of the state's total employment and

employment growth within these sectors grew at twice the pace of the overall state economy between 2010 to 2012.

Framing the Issues

In maintaining a business climate that continues to support the state's economic base sectors, as well as the state's other sectors, strength and weakness of key economic drivers need to be assessed. Strengths should be leveraged for competitive advantage, and weaknesses should be mitigated, where possible and consistent



the state's overall public policies. **Graphic 1** was designed to illustrate the inherent links between the 10 primary drivers of the California economy including capital, resources, labor, and infrastructure. All 10 drivers are important to the overall health of the economy and set the stage for business development and prosperity for both entrepreneurs and workers. While weakness in one area can be partially offset by higher capacity in another, overall, all drivers must maintain some level of competency.

During the February 2015 informational hearing, the Committee heard presentations on how these drivers can affect the longer term economic growth of the state. In this hearing, testimony will focus on the policies and programs the state utilizes to address gaps and increase the quality and quantity of these 10

drivers of the California business climate.

Evaluating the drivers of the California economy also includes an assessment of the demographic and economic context in which these drivers operate. Among other significant trends, competitiveness is expected to create a high demand for nimble and specialized small businesses; the efficiency of infrastructure networks will provide comparative business advantages, and the retirement of high skilled workers will place growing pressure on the education and workforce systems to meet the needs of dominant and emerging industries.

During the course of the hearing, Members will hear from state government officials, trade association representatives, and other economic development stakeholders, who have already tasked themselves with making these types of evaluations. Witnesses have been asked to share their insights on the right mix of policies and programs to help make California a good place to have a career, start and grow a business, and make an investment. *Appendix 9 includes a full list of key demographic and economic trends impact the state and U.S economy. Appendix 6 provides a copy of the Roadmap for a Shared Prosperity, prepared by California Forward for the 2015 Economic Summit.*

California's Education, Training, and Workforce Programs

The Governor's 2015-16 Budget included the announcement of a comprehensive \$1.2 billion initiative to support the development of a new and more coordinated framework for adult education, career technical education, workforce investment, and apprenticeships. The Governor's Budget Summary describes this new initiative as a key step in helping Californians develop the skills necessary for increasing their self-

sufficiency and obtaining greater personal advancement. Core elements of the Governor's workforce initiative include:

- Providing high-quality, job-related instruction, and career exploration and guidance.
- Developing a workforce and education framework that is highly responsive to labor market demands including current and emerging high-wage, high-skill, and high-demand jobs.
- Engaging employers more meaningfully within the workforce development system. This may include earn-and-learn programs, on-the-job training, and other subsidized employment opportunities.
- Using regional collaborations to better align programs that incorporate business-sector input and industry-valued certificates and degrees.
- Improving the alignment of workforce programs with post-secondary education, particularly the community colleges, and the continuing development of career pathways programs.
- Emphasizing non-traditional apprenticeship programs in high-growth industries in emerging and transitioning occupations.
- Targeting education and employment services to special populations including veterans, the disabled, CalWORKs recipients, formerly incarcerated individuals, and other disadvantaged groups most in need of assistance.

If successful, the Governor's initiative will result in a greater alignment among the state's 49 workforce investment boards, 72 community colleges districts, more than 1,000 local education agencies, and employment programs operating in 58 counties. Funding for the initiative is proposed as:

- \$500 million - Adult Education Grant (Prop 98 funds).
- \$250 million - Career Technical Education (Prop 98 funds).
- \$390 million - Workforce Investment Act with \$356.3 million to local workforce investment boards (special funds – federal).
- \$29.1 million - Apprenticeship Program Funding with \$14 million to existing and \$15 million to new programs (Prop 98 funds).
- \$49 million - Enhanced noncredit rate charge for community colleges (Prop 98 funds).

While reframing the state's workforce, education, and training systems is a big task, 2015 may be uniquely positioned to move the initiative forward. The state is already moving forward on other career pathway and integrated workforce and education initiatives, including implementation of the federal Workforce Innovation and Opportunity Act of 2014, the provision of supplemental career technology funding, and the Community College Board of Governor's Task Force on Workforce, Job Creation, and a Strong Economy. *The report section of this document includes a summary and hyper link to the current California Workforce Strategy and a progress report on the use of the \$50 million appropriated to the Career Technical Education Fund in 2014-15 Budget Act. Appendix 12 includes a funding summary chart prepared by the California Community College Association of Occupational Education.*

The Governor's Office of Business and Economic Development

GO-Biz was established to serve as a one-stop-shop for serving the needs of businesses, economic developers, and investors. As initially envisioned, GO-Biz would not directly implement programs, but would instead serve as a referral service and facilitator to help businesses access resources and resolve issues. Very quickly, however, GO-Biz became a popular destination of new programs and state services.

Structurally, GO-Biz is organized around six units and three semi-independent government entities, which GO-Biz has administrative oversight. Each of these units and entities are described below.

The Business Investment Services Unit (seven positions)

The Business and Investment Services Unit (CalBis) serves as the primary point of contact for businesses looking to relocate or expand their business in California. Services are provided without cost to the business. Working through a statewide network of regional and local entities, GO-Biz is able to develop information packets individualized to the needs of each business. Among other things, businesses can obtain information on available tax credits, financial assistance and loan programs, local workforce skills; transportation and infrastructure, and economic and demographic data.

Unit staff are available to meet with businesses throughout the state, with Senior Business Development Specialists assigned to the Bay Area and the Sacramento, Los Angeles, and San Diego regions. <http://www.business.ca.gov/RelocateExpand.aspx>

The Permit Assistance Unit (three positions)

The Permit Assistance Unit provides businesses with comprehensive permit, regulatory, and compliance assistance. Among other services, the unit schedules pre-application meetings between businesses and the appropriate regulatory agencies to help streamline the permitting process. In some instances, GO-Biz can assign a project manager to personally guide an applicant through the entire permit process. Services are confidential and provided without cost. The goal of the unit is to help businesses solve permitting and regulatory challenges. <http://www.business.ca.gov/Programs/Permits.aspx>

The unit is also responsible for maintaining the California Government Online to Desktops (CalGOLD) website. At www.calgold.ca.gov businesses can obtain a list of the required federal, state, and local permits; webpage links; addresses; application forms; and other contact information.

GO-Biz Mission

- Making recommendations to the Governor and Legislature on new and existing state policies, programs, and actions
- Advancing statewide economic development goals and responding to emerging economic problems and opportunities
- Coordinating the development of policies and criteria that ensure that federal grants advance statewide economic goals and objectives
- Marketing California's investment and business opportunities
- Serving as a clearing house for information on economic and demographic data, local and state business resources, as well as information on workforce, infrastructure, and permitting and other regulatory information
- Encouraging collaboration among public and private sectors around innovation
- Fostering relationships overseas to enhance the state's image as a good place to do business and invest
- Conducting research on the state's business climate
- Supporting small businesses by providing information about accessing capital and complying with regulations

The Office of the Small Business Advocate (three positions)

The Office of the Small Business Advocate serves as a focal point for issues relating to small business development. Among the Advocate's statutorily defined responsibilities, are the duties to provide advice on legislation and administrative regulations, represent the views and interests of small businesses before other state agencies, and to receive and respond to complaints from small businesses concerning operative effects of state laws and regulations adversely affecting those businesses.

<http://www.business.ca.gov/Programs/SmallBusiness.aspx>

Most recently, the Office of the Small Business Advocate took the lead in implementing a "Made in California" labeling program and a \$2 million grant program to provide technical assistance to small businesses seeking capital. *A summary with more program information and link to the Advocate's annual report is available under the reports section of this document.*

Innovation and Entrepreneurship Unit (one position)

Among other activities, this unit oversees the Innovation Hub Program (iHub). The iHub network supports 16 partnerships between incubators, co-working spaces, non-profit economic development organizations, government entities, universities, businesses and investment networks to accelerate investment and economic development. *Appendix 8 includes a summary of each iHub and a map of California indicating the iHub region and/or main center.* <http://www.business.ca.gov/Programs/Innovation.aspx>

International Trade and Investment (three positions)

The International Trade and Investment Unit provides technical assistance to foreign investors seeking to invest in California. This unit also facilitates the federal EB-5 Immigrant Investor Visa program by providing letters certifying the designation of high unemployment locations. Among other services, this unit helps connect prospective investors with CalBis staff, who can further assist them by identifying potential investment sites and introducing them to local and regional government representatives and economic development professionals. This unit is also responsible for overseeing the California-China Office of Trade and Investment and facilitating the implementation of the state International Trade and Investment Strategy. *The reports section of this report includes a summary with more program information and a hyperlink to the California International Trade and Investment Strategy, as well as the 2014 annual report on the California-China Office of Trade and Investment.*

California Competes Tax Credit Program (seven positions)

The California Competes Tax Credit is an individually negotiated tax credit for businesses that are relocating to, or expanding in California. Awards are based on the number of jobs/amount of investment made by the business relative the amount of credits requested. <http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit.aspx>

GO-Biz conducts several allocation rounds per year, with the first round awarding \$30 million in 2013-14. In the budget year, \$150 million is authorized to be awarded and \$200 million for each of the following three years. Twenty-five percent of each fiscal year's awards are required to be awarded to small businesses, defined as having less than \$2 million in gross revenues. *A summary of a Supplemental Budget Report on the first year of the program is included in the reports section of this report. Appendix 10 includes a GO-Biz prepared Frequently Asked Questions list about California Competes.*

A Board, Commission, and Bank under the GO-Biz Purview

In addition to the GO-Biz program units, GO-Biz oversees the California Film Commission, the Travel and Tourism Commission and the California Infrastructure and Economic Development Bank.

The California Film Commission (12 positions)

The California Film Commission serves as a one-stop resource for film and TV production across the Golden State. Among other activities, the Commission awards the Film and TV Tax Credit and links prospective film companies with California's statewide network of more than 60 regional film offices. The Commission also maintains the online permit site for filming on state property, including beaches, parks, roadways, universities and government buildings; and the online location database via CinemaScout.

<http://www.film.ca.gov/>

The Travel and Tourism Commission (52 positions)

The Travel and Tourism Commission (also known as Visit California), is a private-non profit entity, created in 1997 by the California Tourism Marketing Act, for the purpose of working with the State of California.

The budget for the marketing activities is provided through an assessment in the travel and tourism industry.

<http://californiatourism.ca.gov/Home>

The Infrastructure and Economic Development Bank (24 positions)

The Infrastructure and Economic Development Bank (I-Bank) was established in 1994 to promote economic revitalization, enable future development, and encourage a healthy climate for jobs in California. The I-Bank does not receive any ongoing General Fund support, rather it is funded through fees, interest income, and other revenues derived from its public and private sector financing activities.

The I-Bank administers three programs: (1) the Infrastructure State Revolving Fund which provides direct low-cost financing to public agencies for a variety of public infrastructure projects; (2) the Conduit Bond Program which provides financing for manufacturing companies, public benefit nonprofit organizations, public agencies and other eligible entities; and (3) the Small Business Finance Center which helps small businesses access private financing through loan guarantees, direct loans, and performance bond guarantees. Most recently, the I-Bank established the Statewide Energy Efficiency Program to provide low-cost financings to state and local governments for approved energy efficiency projects.

Currently the Small Business Finance Center is overseeing the deployment of both federal and state loan guarantee funds. In fiscal year 2013-14, 176 small business loan guarantees were made to support \$72.2 million in loans using funds from the federal State Small Business Credit Initiative. Borrowers reported over 7,235 jobs being created or retained as a result of these federally funded guarantees. The state guarantee program was used to provide 169 guarantees for \$23 million in loans with 2,823 jobs created or retained as a result of the state program. *The reports section of this document includes a summary with more program information and hyperlink to the I-Bank's 2013-14 Annual and the Small Business Finance Center.*

Key Policy Questions

Rapid globalization in the past two decades has permanently changed the economic development paradigm for California communities. The state's unique location and demographics provide both opportunities for engaging in domestic and international commerce, as well as challenges such as obtaining business capital, hiring a workforce skilled in emerging technologies, and accessing quality infrastructure to support the exchange of products, services, and ideas. While not the only driver, state and local governments have an important role in establishing the conditions that support a vibrant economy where both workers and entrepreneurs are prosperous. Among other issues, the Members may want to consider the following:

- Can the state's various education and workforce development systems meet the challenges of the 21st Century economy? How can the state help to transcend historic divisions between career tech, college degrees, and employer needs?
- How can the state support local and regional efforts to catalyze private investment, especially in historically underserved and emerging areas of the state?
- Where are the opportunities for enhancing California business and worker competitiveness and support for their economic integration within the broader global marketplace?
- What actions can the state take to reduce de facto barriers to business start-ups, re-shoring of manufacturing and expansion of research and development facilities in California?
- How can the state enhance the specific conditions necessary to support young entrepreneurs, microenterprises and small business development?
- Does the state have the appropriate game plan to engage private investors in helping to meet California's significant challenge in providing a modern infrastructure network that can sustain the production and movement of goods, services, and workforce throughout the state, country, and across the world?
- What economic opportunities do trade-related industries represent and how can the state support local and regional efforts to capitalize on those advantages?
- How can e-commerce platforms, technical assistance, and the development of better regulatory implementation methods reduce government impediments to economic growth?

Reports related to Presentations

Information in the hearing presentations and in the preparation of the briefing report came from a number of key documents, which are summarized below. Where possible, the list includes a website where the full report is available.

- ***CALED 2015 Economic Development Legislative Priorities (January 2015)***: This chart summarizes the economic development priorities of various economic development stakeholder groups. The top priorities of the California Association for Local Economic Development (CALED), who hosted the stakeholder meeting, are Enhanced Infrastructure Financing District legislation and ensuring that economic development be considered in the implementation of the federal Workforce Investment and Opportunity Act. Top priorities of Assemblymember Eduardo Garcia, Chair of JEDE, include small business development and leveraging workforce training to lower prison recidivism rates. The California State Association of Counties is focusing on transportation funding, broadband access and adoption, and addressing poverty and homelessness at a county level. *Appendix 2 of the report has a copy of the chart.*
- ***California China Office (May 2014)***: This mandated annual report was prepared by GO-Biz and is a condition of maintaining a foreign trade office. In April 2013, California opened its first international trade office since 2003. The California-China Office of Trade and Investment (CCTO) opened in April 2013 for the purpose of serving the needs of California businesses exporting into China and Chinese investors looking to invest in California. Actions of the CCTO are set forth in a work plan. Among other accomplishments, the trade office met all its administrative milestones including the hiring of staff, officially opening the office, and leading a high-level trade mission to China. Relative to its inbound investment goals, the CCTO participated in doubled the number investment targeted attraction events and is working on converting these activities into new investments and business opening facilities in

California. Relative to increasing outbound trade to China, the CCTO exceeded by 50% the number of outreach events by participating in three during the report year and has sponsored three out of the targeted four business development trips. <http://www.business.ca.gov/International.aspx>

- ***California Competes Tax Credit Program Report (December 2014)***: This mandated report was prepared by GO-Biz in response to a supplemental budget reporting language. The report chronicles the establishment of the program, adoption of regulations, outreach activities, and a summary of the application process. Between the commencement of the program and December 2014, GO-Biz held 29 application workshops throughout the state, including four online webinars. Between the spring of 2014 and October 31, 2014, GO-Biz expended 2,653 hours of California Competes staff and used 2,822 hours of time redirected by other GO-Biz staff. In the first \$45 million round, GO-Biz received 286 applications for a total of \$330 million in tax credits. At the time of the report, first round awards had not been finalized. Two additional allocation rounds are anticipated in the 2015-16 fiscal year for a total of \$106.1 million in tax credits. *Document is not available online. Contact Go-Biz or the JEDE Committee to request a copy.*
- ***California's Future (February 2015)***: This report, prepared by the Public Policy Institute of California, identifies, assesses, and makes recommendations on California's most significant long-term policy challenge including: climate change, corrections, the economy, health care, higher education, housing, K-12 education, political landscape, population, social safety net, and water. Among other assessments, the report notes the significant regional economic differences with inland California continuing to have higher rates of unemployment. A selection of recommendations include the importance of stimulating business development as a means for supporting a skilled workforce; embracing policies that support a range of industry sectors and not just a handful of currently dominant sectors; promoting economic opportunity through education; increase training alternatives to traditional degrees; and continuing to address the state's high prison recidivism rates. A recommendation included within many of the policy areas is the need to collect better data in order to be able assess the effective of policies and programs. <http://www.ppic.org/main/publication.asp?i=895>
- ***California Infrastructure and Economic Development Bank (2013-14 Fiscal Year)***: This is a mandated report prepared by the California Infrastructure and Economic Development Bank (I-Bank). In 2013-14 the I-Bank issued \$95.9 million in revenue bonds based on loans in the Infrastructure State Revolving Fund with a "AAA" rating from all three major credit rating agencies. The I-Bank also revised its program guidelines for selecting infrastructure and economic expansion projects under its revolving loan fund. In total, \$12.05 million in loans were approved under the revolving loan fund. The I-Bank also assisted the California Department of Public Health by making a short-term loan of \$35 million. These moneys were used to make improvements to water systems, including projects that addressed drinking water issues, throughout California. As a conduit issuer, the I-Bank issued \$735.4 million in bonds on behalf of California manufacturing companies, 501(c)(3) nonprofit entities, and for government entities, which used the funds to create and retain jobs, to facilitate research and cultural activities, and other public purposes. <http://www.ibank.ca.gov/annualreports.htm>
- ***California International Trade and Investment Strategy (February 2014)***: The International Trade and Investment Strategy is prepared by GO-Biz every five years for the purpose of guiding the implementation of a comprehensive international trade and investment program for the state. The 2014 governing policy framework is that by increasing trade, the state will create jobs, increase revenues, and improve the state's competitiveness – while still being able to serve as a leader in sustainable development. There are four goals including the expansion of California exports, increasing foreign

investment, supporting California as a gateway for goods and services into the U.S. and out to foreign markets, and working with federal and international entities to expand global market access. Among other key actions, the 2014 Strategy call the establishment of a Trade Advisory Council, reporting on the outcomes of the China Trade Office, and establishing a process to allow California to be more proactive on advocating before the U.S. Congress and the U.S. Trade Representative.

<http://www.business.ca.gov/International.aspx>

- ***California Small Business Finance Center Annual Report (January 2015)***: This mandated annual report was prepared by the California Infrastructure and Economic Development Bank on its activities in managing the Small Business Finance Center and the Small Business Loan Guarantee Program. In fiscal year 2013-14, 176 guarantees for \$72.2 million in loans were made using \$51.4 million of federal State Small Business Credit Initiative funds. Borrowers reported over 7,235 jobs being created or retained as a result of these federally funded guarantees. The state guarantee program was used to provide 169 guarantees for \$23 million in loans with 2,823 jobs created or retained as a result of the state program. Of the 345 loan guaranteed using the federal and state funds, 64.6% were male, 17.1% were women, and 18.26% were co-owned by men and women. The race/ethnicity of small businesses assisted: 62.9% were Caucasian, 10.43% Asian, 8.99% Hispanic, 3.77% African American, 5.22% Asian Indian, and 0.29% Native American. <http://ibank.ca.gov/annualreports.htm>
- ***California's Workforce Strategy (June 2013)***: The federal Workforce Investment Act (WIA) requires the Governor, via the State Workforce Investment Board, to submit a WIA/Wagner-Peyser Act strategic plan to the U.S. Department of Labor that outlines a five-year strategy for the investment of federal workforce training and employment services dollars. California's plan provides a look at the dynamics of California's future economy based on regional industry and occupational trends. A primary objective of the strategy is to reduce the skills gap through enhanced collaboration between the education, training, and workforce development systems. Two of the recommendations are to increase shares of training funds available for emergent science and technology sectors, and to work with businesses and organizations to develop industry recognized skill and readiness standards. www.cwib.ca.gov
- ***Career Technical Enhancement Fund Report (March 2015)***: This a mandated Supplemental Budget Report was prepared by the Workforce and Economic Development Division of the California Community College System. With the enactment of the 2014-15 Budget Act, \$50 million was appropriated to the California Community Colleges for the purpose of expanding, enhancing, and improving career technical education. Among other things, the money could be used for helping community colleges purchase equipment, align and development curriculum, and provide professional development training. Funding was awarded to districts based enrollment related criteria and then further divided between individual community colleges (60%) and regions (40%). Key topics covered in the report include addressing the high cost of career technical training, aligning other resources to create scale and support regional economies and making better use of local and regional labor market information. The report also reports on the use of funds by region and industry sector. The California Community College Chancellor is requesting \$25 million in the 2015-16 budget to continue this work. *Document is not available online. Contact JEDE Committee to request a copy.*
- ***Five-Year Infrastructure Plan, prepared by the Department of Finance (January 2015)***: This mandated report is a five-year infrastructure plan presenting the Governor's proposal for investing \$57 billion in state infrastructure. The plan covers key state infrastructure and maintenance expenditures that have been deferred as a result of the recession. The report recommends the allocation of funds for each of the state agencies towards specified projects. More specifically, projects laid out in the plan include

new courthouses in 14 counties, highway and rail system maintenance and improvement, high-speed rail segments, seismic retrofits, CHP and DMV office replacements, new water treatment and plant system upgrades, flood control developments, and renovation projects for several California Community Colleges. www.dof.ca.gov

- ***Office of the Small Business Advocate Annual Report (January 2015)***: This mandated annual report, prepared by the Small Business Advocate, identifies projects from the report year, as well as activities proposed in the following year. Highlights from the Small Business Advocate's year include her work on establishing two new programs: A \$2 million competitive grant program to fund technical assistance to small businesses looking for capital and a Made in California labeling program to create awareness about goods produced in the state. In addition, the Small Business Advocate managed GO-Biz's Interagency Working Group in collaboration with GO-Biz's Permit Assistance Unit, which works on regulatory issues with departments and agencies including the California Environmental Protection Agency and the Department of Industrial Relations. The Advocate also conducted external outreach activities, including educational workshops for small business owners and maintains a comprehensive list of online resources for small businesses on technical assistance, financial assistance, and state procurement opportunities. <http://www.business.ca.gov/Programs/SmallBusiness.aspx>
- ***Pocket Guide to Transportation 2015 (January 2015)***: This report, prepared by the U.S. Department of Transportation, provides comparative data on a variety of transportation issues including the movement of people and goods, infrastructure performance, safety, and environmental impacts. A significant focus of the information is how the nation's transportation system links to the economy. Highlights about California include: an estimated 10% of bridges in the state are structurally deficient; Sacramento and Los Angeles rank among the top 10 busiest passenger train routes in the nation; Los Angeles and San Francisco rank among the top 10 busiest passenger airports in the nation; Los Angeles Airport ranks in the top 10 busiest passenger airports in the world; San Ysidro and Otay Mesa rank in the top 5 land ports of entry from Mexico with 32.5 million people crossing in 2013; Otay Mesa and Calexico rank in the top 5 truck crossing from Mexico with 1.1 million trucks passing through in 2013; and Los Angeles and Long Beach ranking in the top 10 water ports in U.S. for short tons and twenty-foot equivalent unit in 2013. <http://www.rita.dot.gov/bts/bts/sites/rita.dot.gov.bts/files/Pocket%20Guide%202015.pdf>

Materials in the Appendix

A fact-packed summary of the California economy and copies of other materials related to the presentations are provided in the appendices.

- Appendix 1 - ***Agenda*** for the March 17, 2015 hearing, "Major Economic Development Policies and Programs"
- Appendix 2 - ***California Economy Fast Facts***, prepared by JEDE
- Appendix 3 - ***Overview of California Small Business***, prepared by JEDE
- Appendix 4 - ***California Economy by Industry Sector***, prepared by JEDE
- Appendix 5 - ***2015 Economic Development Legislative Priorities***, prepared by CALED
- Appendix 6 - ***A Roadmap to Shared Prosperity***, prepared by California Forward for the California Economic Summit
- Appendix 7 - ***A Selection of Assembly Economic and Workforce Development Bills***, prepared by JEDE

- Appendix 8 - *An overview of the 16 California iHubs*, prepared by JEDE, and a *map of the iHub locations*, prepared by GO-Biz
- Appendix 9 - *Demographic and Economic Trends*, prepared by JEDE
- Appendix 10 - *California Competes Tax Credits FAQs*, prepared by GO-Biz
- Appendix 11 - *Calendar of Future California Economic Summit Events*, compiled by California Forward
- Appendix 12 - *A Selection of Career Education Programs*, prepared by the California Community College Association of Occupational Education
- Appendix 13 - *Biographies of the Speakers*, compiled by JEDE

Committee Contact Information

The Assembly Committee on Jobs, Economic Development and the Economy is the committee in the California State Legislature responsible for overseeing issues related to business formation, foreign trade and investment, industrial innovation and research, and state and local economic development activities.

The Committee Office is located in the Legislative Office Building (LOB) at 1020 N Street, Room 359. The phone number to the Committee is 916.319.2090.

Mail should be addressed to: Assembly Committee on Jobs, Economic Development and the Economy; State Capitol; Sacramento, CA, 95814. For security reasons, mail is not received or delivered to the LOB.