



**Assembly Committee On
Jobs, Economic Development, and the
Economy**

**2023
Legislative Summary**



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Assembly
California Legislature



ASSEMBLY COMMITTEE ON
JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

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October 31, 2023

Dear JEDE Community:

As Chair of the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE), I am thrilled to announce the release of the JEDE Committee's 2022-2023 Session Report, a comprehensive document that encapsulates the legislative activities and endeavors undertaken by our committee during this session. This report is a testament to our unwavering commitment to advancing economic and job growth and development across our jurisdiction. Within its pages, you will find a detailed account of the bills and initiatives carefully considered and discussed, reflecting our steadfast dedication to nurturing a flourishing economy.

Among the responsibilities entrusted to JEDE, we oversee various critical areas, including those related to California's manufacturing sector, infrastructure development, international trade and foreign investments, economic disaster relief, business incentives, business and capital formation, regulatory reform, and workforce development. Our state has consistently embraced twenty-first-century forward-thinking reforms that align with California's values, including a strong commitment to equity, positioning us at the forefront of change. This entrepreneurial and innovative spirit has fostered diversity and propelled our economy to become one of the world's largest.

Should you have any inquiries or require additional information regarding our committee's work, please do not hesitate to contact the JEDE Committee Office at (916) 319-2090 or visit our official website at <http://ajed.assembly.ca.gov/>.

Sincerely,

A handwritten signature in black ink that reads "Carlos Villapudua".

Carlos Villapudua, *Chair*
Assembly Committee on Jobs, Economic Development, and the Economy

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Jobs, Economic Development, and the Economy

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Jurisdiction

- Primary jurisdictions are business advocacy within California and the United States.
- Business advocacy of import/export trade
- California-Mexico relations
- California overseas trade offices; Governor's Office of Business and Economic Development
- Development and expansion of new technologies, except energy; development of international high-tech markets
- Economic disaster relief
- Economic impact reports
- Effect of a balance of trade issues in California
- Expansion of overseas markets
- Foreign investments by California
- Foreign investments in California
- Impacts of the federal budget on high-tech projects, effects of the federal budget on international trade
- Industrial innovation and research
- International capital, including capital formation
- International trade, research, and import/export finance
- Interstate commerce, seaports, and physical infrastructure
- Sister state agreements and friendship agreements with other nations
- Small business development and operations
- State and local economic development
- Women and minority business enterprises (WBME).

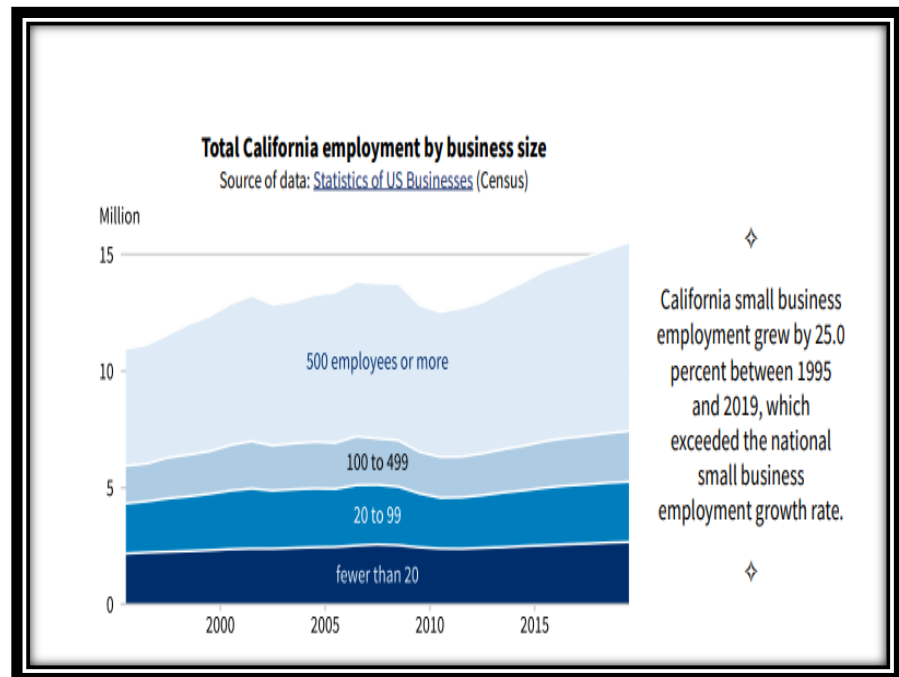
Snapshot of California

California's Economy and Small Businesses

Small businesses are the backbone of California's economy, serving as vital engines of job creation and contributing significantly to the state's overall economic growth.

Approximately 4.2 million small businesses employ around 7.4 million workers, constituting 47.9 percent of the state's workforce. Despite their pivotal role, small business owners, particularly those from minority and women-owned backgrounds, confront distinctive challenges. These hurdles encompass limited access to funding, resources, professional networks, and the complexities of navigating through regulatory mazes. While recent efforts have been made to bolster support for these entrepreneurs, a pressing need remains to continue dismantling these barriers.

The COVID-19 pandemic left an indelible mark on businesses of all scales, including small enterprises. Many faced temporary closures, dwindling consumer demand, and disruptions in the supply chain. Although the situation is gradually improving as the pandemic is controlled, businesses continue grappling with



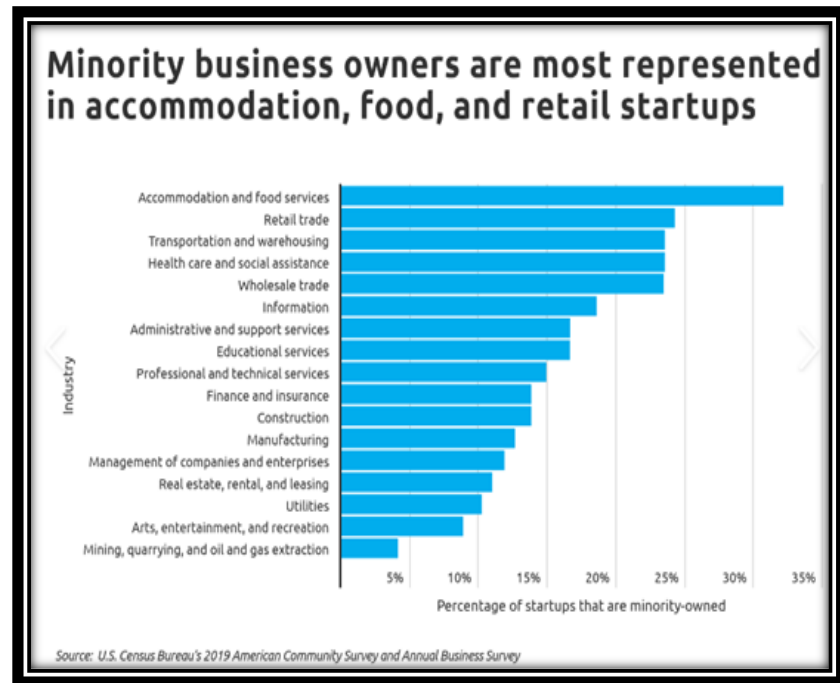
its repercussions and resulting economic implications. Business owners must remain vigilant and adaptable as they navigate the post-pandemic landscape. This may entail embracing digital transformations, diversifying revenue streams, and maintaining a steadfast commitment to health and safety measures for employees and customers. Government policies, financial support programs, and community-driven initiatives also hold a crucial role in aiding small businesses in their recovery and subsequent flourishing. Offering avenues for funding access, providing training and mentorship programs, and fostering a supportive environment for all business proprietors are integral to their path to success.

Women and Minority Owned Businesses

California's economic vibrancy owes a significant debt to the solid efforts of women entrepreneurs who drive the state's prosperity. These remarkable women, in tandem with Minority-owned businesses, constitute a vital cornerstone of the nation's economic landscape. This collective endeavor represents a rich tapestry of diversity, encompassing Hispanic or Latino Americans, Black or African Americans, Asian Americans, Arab and other Middle Eastern Americans, Native Americans and Alaska Natives, Native Hawaiians, and other Pacific Islanders. This mosaic of perspectives and experiences within the entrepreneurial world fosters innovation and dynamism, enriching California's economic fabric.

Women and Minority-owned businesses are distinct in their ownership, operation, and control, with a minimum ownership stake of 51% held by one or more female individuals. What sets women entrepreneurs apart is their possession of unique skill sets, contributing to their triumphs.

The landscape of women and minority-owned businesses in the United States is impressive. Approximately 9.3 million minority-owned businesses are documented by the Small



Business Administration (SBA) and the US Census Bureau, indicating their substantial presence.

Astoundingly, women own 42% of all US businesses, employ a staggering 9.4 million individuals and generate nearly \$1.9 trillion in annual revenue. This dynamism is further underscored by the establishment of over 1,800 women-owned businesses daily, illustrating their remarkable contribution to the economic ecosystem.

Examining the impact across specific minority groups, a diverse entrepreneurial tapestry emerges. In 2019, the landscape featured 6.5 million White/European, 2.7 million African American, 2.3 million Latina/Hispanic, 1.2 million Asian American, 180 thousand Native American/Alaskan Native, and 40 thousand Native Hawaiian/Pacific Islander women-owned businesses. Over the period from 2014 to 2019, African American women led with a

growth rate of 49.8%, followed by Native Hawaiian/Pacific Islander women with 40.8%, and Latina/Hispanic women with 39.6%.

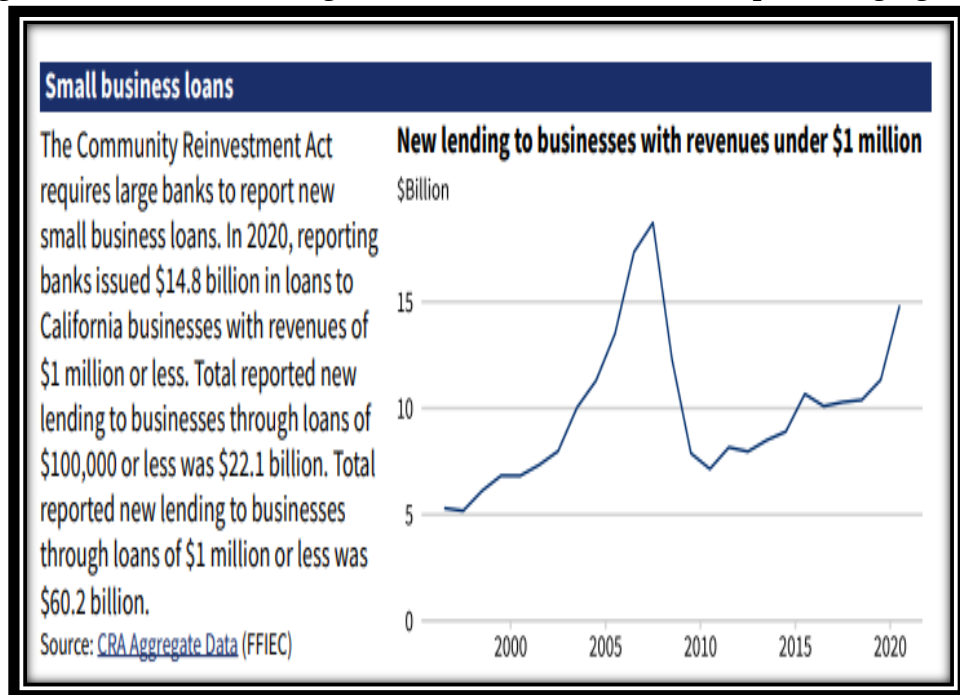
Industries such as Healthcare and Social Assistance (19.4%), Accommodation and Food Services (15%), and Administrative and Support and Waste Management and Remediation Services (12.6%) prominently feature women-owned businesses. Equally compelling is the impact of minority-owned companies, which have generated over 4.7 million jobs within the past decade, more than half of which were created in the last two years. Notably, a fifth of small businesses are owned or co-owned by women, while 35% are owned or co-owned by ethnic minorities or individuals of mixed ethnicity. The international scope of these enterprises is also notable, with nearly a third engaged in international business endeavors.

California exemplifies this landscape of entrepreneurial excellence. An astonishing 1.2 million women-owned businesses form 39% of all companies in the state, collectively contributing to \$549 billion in annual sales and employing 3.8 million individuals.

California also emerges as a leader in funding women-owned business startups, averaging \$10.2 million per deal in 2022.

Recent trends paint a progressive picture, with a 33% increase in women business owners identifying as “Black or African-American” from 2022 to 2023. Similarly, the number of female entrepreneurs identifying as “Hispanic, Latino,

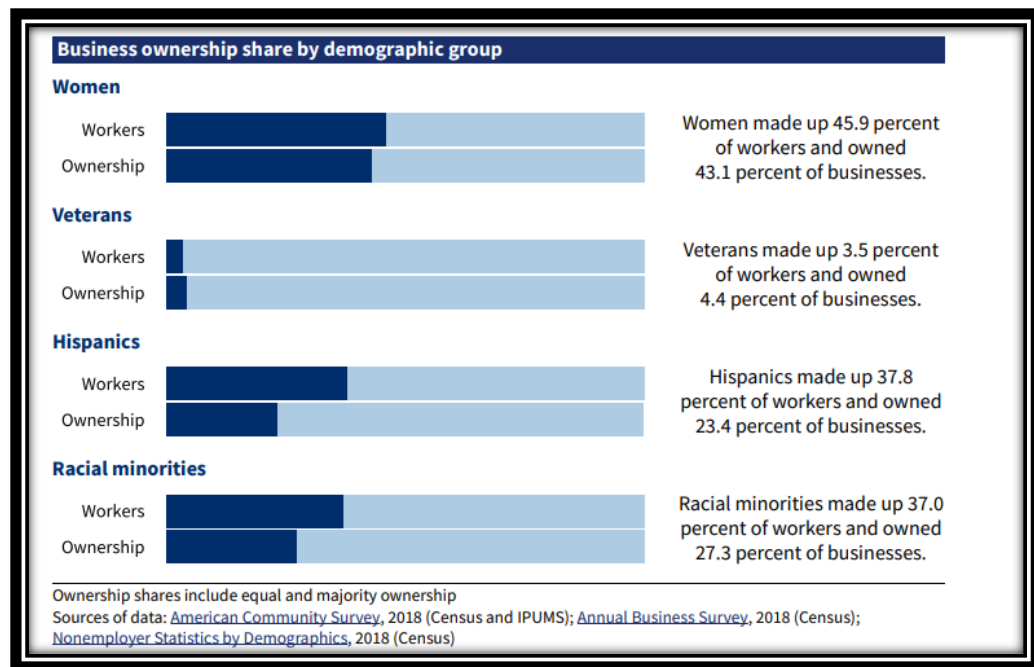
or Spanish Origin” and “Asian or Asian-American” has doubled since the previous year. These trends highlight the evolving landscape and the pivotal role of women entrepreneurs in shaping California’s economic trajectory and the broader national outlook.



Veteran Owned Businesses

Veterans have a significant impact on the American workforce and entrepreneurship landscape, constituting 3.5 percent of the total workforce while owning 4.4 percent of businesses. The Census data 2012 revealed a thriving community of veteran entrepreneurs, with 2.52 million businesses, most of which veterans own. Within this figure, 442,485 were employers, providing jobs to many, while 2.08 million operated as non-employers. Remarkably, virtually all veteran-owned businesses, 99.9 percent of them, were small businesses. These enterprises collectively generated substantial economic activity, amassing receipts totaling \$1.14 trillion, employing 5.03 million individuals, and paying out an annual payroll of \$195 billion. The distribution of veteran-owned businesses spanned various sectors, with almost 30 percent concentrated in construction and professional, scientific, and technical services. Finance and insurance led the industry breakdown with 13.2 percent, transportation and warehousing at 12.1 percent, and construction at 11.4 percent. Five primary industry groups accounted for a significant chunk of sales, making up 71.5 percent of all veteran-owned firm revenue: wholesale trade (22.9 percent), retail trade (19.5 percent), manufacturing (12.3 percent), construction (10.1 percent), and professional, scientific, and technical services (7.0 percent).

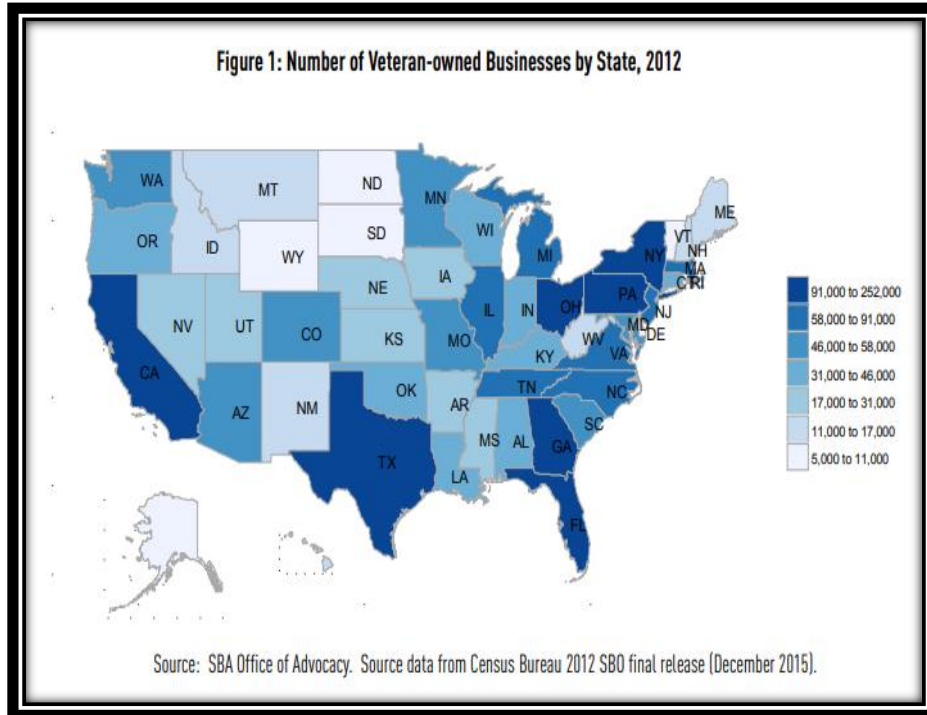
Regarding the size of these businesses, most veteran-owned employer firms were small, with 54.5 percent having one to four employees and 71.3 percent having



between one and nine employees. Furthermore, 80.6 percent of these firms had between one and nineteen employees, 9.0 percent employed twenty or more, and 3.2 percent had more than fifty employees. In terms of ownership demographics, the majority were male (84.3 percent), non-Hispanic (92.9 percent), and white (85.1 percent). Nevertheless, women-owned 15.2 percent of all veteran-owned businesses, and self-identified minorities accounted for 20.6 percent. By race and ethnicity, ownership shares of veteran-owned companies were

as follows: African American (10.7 percent), Hispanic (7.0 percent), Asian-American (2.1 percent), American Indian or Alaska Native (1.3 percent), Native Hawaiian or other Pacific Islander (0.3 percent), and some other race (2.2 percent). Most veteran-owned businesses had a single owner (86.1 percent), and almost all (97.9 percent) had four or fewer owners.

The distribution of veteran-owned firms across the United States varied, with California



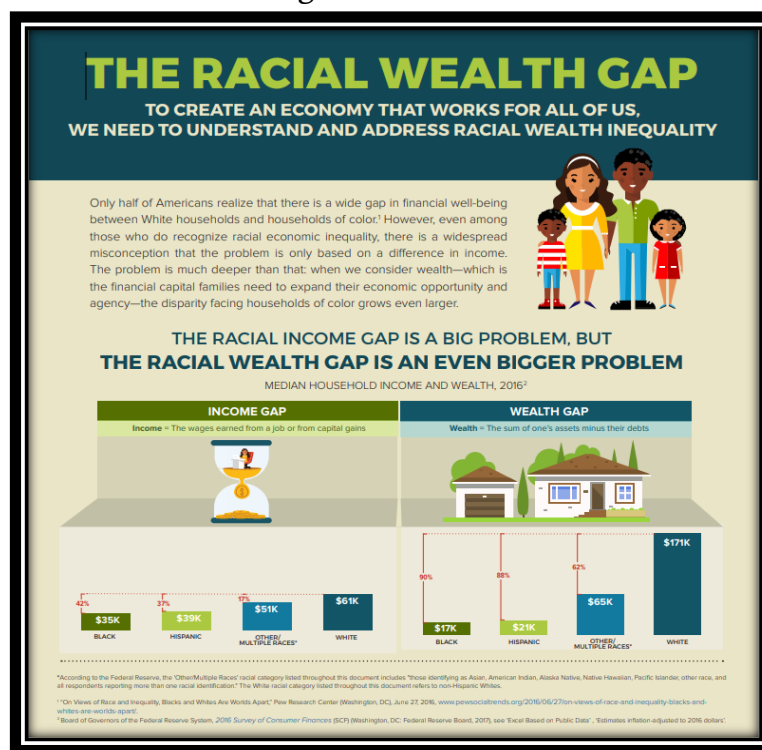
leading the way at 252,377 businesses, followed by Texas (213,590), Florida (185,756), New York (137,532), and Pennsylvania (97,969. Notably, veteran business owners skewed older compared to business owners in general. In 2012, 74.0 percent of veteran business owners were aged 55 and over, with 48.0 percent being 65 or

older. Conversely, only 11.7 percent of veteran owners were under 45, and a mere 3.4 percent were under 35. Moreover, more veteran-owned businesses reported being home-based, with 57.0 percent operating from home, surpassing the 52.2 percent rate for all U.S. firms. This comprehensive data paints a vivid picture of the substantial economic contribution and unique characteristics of veteran-owned businesses in the United States in 2012.

Bridging the Wealth Gap in Minority-Owned Businesses

Small business ownership emerges as a crucial avenue for mitigating and ultimately closing the wealth gap experienced by California's African-American and Hispanic populations. According to data from the California Budget & Policy Center in 2019, the median net worth in the state was notably disparate among racial and ethnic groups. Asian households boasted a median net worth of \$720,000, followed by Whites at \$440,000, Hispanics at \$59,000, and African Americans at a starkly lower \$4,000.

The wealth divide is striking, with African American and Hispanic households in California holding only 5% and 6% of the wealth of their non-Hispanic White counterparts, respectively. This glaring disparity underscores the urgency of fostering small business ownership within these communities to address and rectify the wealth gap. Supporting entrepreneurship and providing resources and opportunities for African American and Hispanic individuals to establish and grow small businesses can elevate their economic



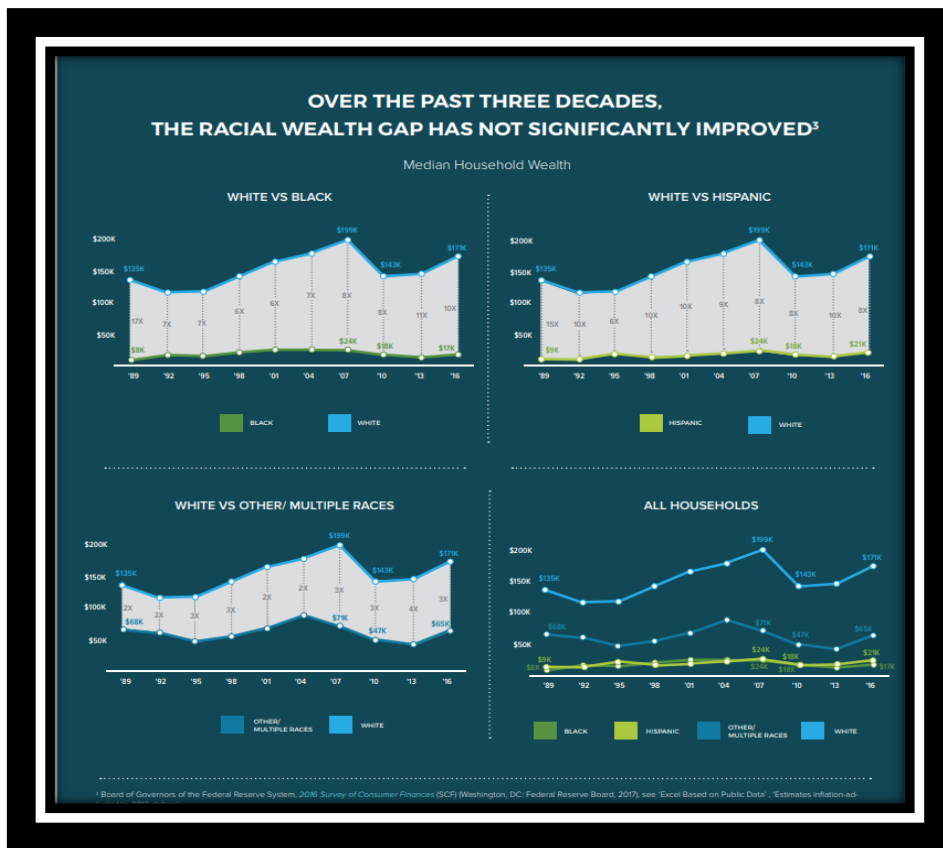
standing, foster financial stability, and contribute to a more equitable distribution of wealth in the state.

Building wealth is pivotal in fostering generational economic mobility and unlocking opportunities for individuals and their families. Entrepreneurship emerges as a critical avenue for those with limited financial resources to amass wealth, mainly because they lack access to the benefits associated with corporate employment, such as employer-sponsored retirement accounts, stock options, and bonuses. While income inequality is a well-documented issue at both state and national levels, wealth inequality presents an even more

stark reality. In 2016, the top 1% of Americans claimed 24% of the nation’s income and possessed a staggering 39% of its wealth. The racial wealth gap, a persistent challenge rooted in a history of discrimination, is evident in the vast disparities between white, black, and Latinx households. The median wealth for white families in 2016 was \$171,000, while black and Latinx families had significantly lower median wealth at \$17,600 and \$20,700, respectively. This translates to a stark inequality ratio, with the typical white household having \$9.72 in wealth for every \$1 held by a typical black family and \$8.26 for every \$1 owned by a typical Latinx family.

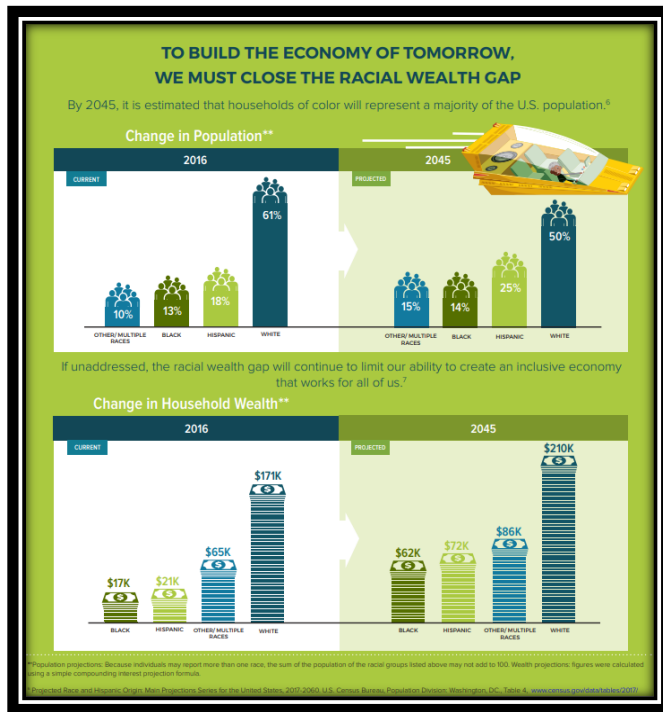
The historical context of discrimination has exacerbated the racial wealth gap over the years, with the divide intensifying despite incremental gains made by black and Latinx households between 1983 and 2007. Unfortunately, the Great Recession and the subsequent housing crisis

undid much of the progress, setting these families back by a generation. Recent data further highlights the disparities among racial and ethnic groups in the U.S., encompassing economic indicators such as income, net worth, and homeownership



rates. The Federal Reserve’s Survey of Consumer Finances in 2019 reveals significant differences in median net worth among racial and ethnic groups, with Asians leading at \$503,400, Whites at \$188,200, Hispanics at \$36,200, and African Americans at \$24,100. Similarly, data from the U.S. Census Bureau for median household income in 2019 shows Asians with the highest at \$98,174, Whites at \$68,703, Hispanics at \$56,116, and African Americans at \$45,438. These figures underscore the urgent need for targeted efforts to address the systemic issues contributing to wealth disparities, promoting economic equity and opportunity for all.

Addressing the substantial gap in income and wealth may seem like an overwhelming challenge. Still, establishing and encouraging small businesses is a viable strategy to narrow this divide effectively. While homeownership has traditionally been championed as a



primary avenue for accumulating lasting wealth in the United States, business ownership is increasingly recognized as the “second solution” to building prosperity. The U.S. Small Business Administration (SBA) highlights that a significant portion of family wealth is tied to ownership of businesses. The impact of small business growth extends beyond the individual owner and their family, playing a pivotal role in the broader economy and serving as a crucial building block in bridging the wealth gap. Initiatives supporting entrepreneurship, whether through starting one’s own business, investing in existing enterprises, or actively backing local businesses, contribute to personal

wealth creation, job creation, and economic advancement. By fostering a culture of small business development, we take meaningful steps toward reducing disparities and promoting a more inclusive and economically robust society.

The Small Business Administration (SBA) data underscores a significant trend: self-employed individuals tend to be wealthier than their non-self-employed counterparts on average. This pattern is particularly pronounced among black business owners, as highlighted by a 2018 report indicating that black entrepreneurs possess 12 times more wealth and experience higher wealth mobility compared to black individuals who are not business owners. The implications of fostering minority- and black-owned small businesses extend beyond individual prosperity; they play a crucial role in enhancing the overall economy and narrowing the racial wealth gap. Business ownership becomes a conduit for transferring wealth within families, unlocking increased economic mobility and growth opportunities. Furthermore, the economic impact of money spent at small, locally owned businesses is profound, as it is more likely to circulate within the community, promoting localized economic resilience. Small companies also serve as engines for job creation, contributing to increased employment rates in local communities and fostering a more inclusive and vibrant economic landscape. Therefore, supporting and promoting minority-owned and black-owned small businesses is an individual wealth-building strategy and a collective investment in community development and economic equity.

California Ports and International Trade

California's economic landscape boasts impressive figures that underscore its significance on national and global levels. As of 2022, the state's GDP stands at an outstanding \$3.8 trillion, exhibiting a growth rate of 2.4%. This substantial contribution solidifies California's position as a cornerstone of the US economy, constituting 14.4% of its total. Moreover, on a global scale, California emerges as the fifth-largest economy, trailing only the United States, China, Japan, and Germany.

California's prowess is evident in its exports in terms of international trade. In 2022, the state exported goods valued at \$185.55 billion to 227 foreign economies, displaying a 6.07% increase from the previous year's total of \$174.9 billion. A significant portion of these exports, accounting for 43.3%, were directed to Free Trade Agreement (FTA) markets, with FTA partners collectively receiving \$80.49 billion of California's exports. The key export markets for California include Mexico, Canada, China, Japan, and South Korea. Notably, California hosts the leading shipping port in the United States, the Port of Los Angeles, with the Port of Long Beach ranking second. This port complex has transformed the Los Angeles area into the most extensive business investment zone in the US and a global center for international trade. Remarkably, the San Pedro Bay Port Complex, consisting of both ports, holds 75% of the West Coast's market share and 29% of the entire United States market share.

California's exports to Mexico are valued at \$23.9 billion, while imports from Mexico total \$36 billion, resulting in a total trade of \$60 billion. The Port of Los Angeles and the Port of Long Beach are the leading shipping ports in the United States. The San Pedro Bay Port Complex, consisting of both ports, holds 75% of the West Coast's market share and 29% of the entire United States market share.



The economic impact of these ports is felt in job creation as well. The Port of Los Angeles, ranked 17th globally, generates 124,000 jobs in Los Angeles, translating to 1 in 15 jobs. Combined with the Port of Long Beach as part of the San Pedro Bay Port Complex, the port

ranks 9th globally, creating 168,000 jobs in Los Angeles and Long Beach, or 1 in 12 jobs. The significance of these ports extends to their role in global trade, solidifying California's position in the international market.

Examining specific trade partners, Mexico emerges as California's leading export market, accounting for \$30.77 billion in exports, mainly electronic products and computers, transportation equipment, chemicals, and non-electrical machinery. Canada, the second-largest export market for California, contributes \$20.1 billion in exports, driven by electronic parts and computers. The Asian market also plays a substantial role, contributing \$78.737 billion in various exports, with Greater China accounting for \$18.15 billion. Japan and South Korea are key players, with California exporting computers and electronic products worth \$11.607 billion to Japan and non-electrical machinery valued at \$11.58 billion to South Korea. Europe also plays a significant role, as the European Union's total imports from California amount to an estimated \$26.945 billion. This diversification of trade partners reflects the state's global economic influence.

Importantly, imports into California are equally substantial. In 2022, imports were valued at \$509 billion, making California the largest importer among the 53 importers in the United States. The state's top imports include petroleum oils and bituminous minerals (\$28.9 billion), medium-sized cars (\$20.2 billion), automatic data processing machines (\$18.2 billion), parts and accessories of data processing equipment (\$15.2 billion), and communication apparatus (\$11.1 billion). The impact of trade on California's business landscape is palpable. In 2020, the state's businesses employed 15.7 million employees, with payrolls totaling \$1.1 trillion, the largest payroll in the nation. Exports played a significant role, with small and medium-sized enterprises contributing 43% of total exports. These businesses exhibited resilience and adaptability, generating 41.1% of California's \$174.0 billion in total exports in 2019. California's trade activities have far-reaching effects, supporting an estimated 585,486 jobs in 2020. Remarkably, jobs supported by goods exports pay up to an estimated 18% above the national average, underlining the positive impact of trade on the state's workforce. California leads the nation in manufacturing, contributing significantly to business and employment. The state's robust manufacturing sector creates 1.2 million manufacturing jobs, a testament to its economic prowess.

2022-2023 Legislation

During the 2022-2023 Legislative Session, the Jobs, Economic Development, and the Economy (JEDE) Committee has been actively reviewing and discussing various legislation about economic development and job creation. The committee focuses on driving policies promoting economic growth and opportunity within the state. The legislation covers multiple topics, including business incentives, workforce development, trade relationships, and investment strategies. The committee aims to bolster California's economy through deliberations and create a favorable environment for thriving businesses. The legislative efforts undertaken by JEDE during this session underscore the importance of fostering economic vitality and employment opportunities for the state's residents. Below is a summary of the legislation heard by JEDE during this Legislative Session.

- **AB 258 (Reyes) - Internet Web Portal: The Small Business Information Act: The Front Door Internet** web portal bill would require the California State Library to create funding opportunities for the Internet web portal. This web portal would provide a centralized location for grant seekers seeking grant opportunities for small businesses. This web portal would require each state agency to register every grant opportunity with the library's state administrator before the solicitation or award process for distribution and accept electronic applications for any grant administered by the state agency, as appropriate.
Status: Signed by Governor, Chaptered by Secretary of State - Chapter 423, Statutes of 2023
- **AB 306 (Sanchez) - Office of Small Business Advocate: one-stop capital shop online platform:** This bill would enact the One-Stop Capital Shop Act that would require the office to serve as the lead state government entity for helping California small businesses become finance-ready relative to state programs utilizing certain federal funds.
Status: Held under submission in Assembly Committee of Appropriations.
- **AB 628 (Wilson) - GO-Biz: Made in California Program:** CA Made is a state labeling program designed to encourage consumer product awareness and promote purchasing products manufactured in California. The CA Made program is designed to enhance California manufacturers' ability to promote products made in California. GO-Biz administers the program and is currently undersubscribed. This bill would remove the requirement that a company establish that the finished product could lawfully use a "Made in U.S.A." label to be eligible under the program. Instead, it requires the certification to be signed under penalty of perjury. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.
Status: Ordered to the Senate inactive file at the request of Senator Roth.
- **AB 879 (Villapudua) - Bioscience Economic Opportunity Program: grants:** AB 879 will create the Bioscience Economic Opportunity Program under the Treasurer's Office to develop collaborative work between public and private partners to administrate grants and coordinate federal funding.
Status: Re-referred to Assembly Committee of Appropriations.

- **AB 930 (Friedman) - Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts:** Upon appropriation by the Legislature, this bill requires the Governor's Office of Business and Economic Development to establish the RISE Revolving Loan Fund and would require the Office of Planning, and Research (OPR) to develop standards for the formation of RISE districts no later than November 30, 2025.
Status: Re-referred to Assembly Committee of Appropriations.
- **AB 963 (Schiavo) - The End the Foster Care-to-Homelessness Pipeline Act:** AB 963 intends to create confidence in the private lending market to expand the number of affordable units available to former foster youth struggling with housing security by requiring the California Infrastructure and Economic Development Bank (IBank) to establish one or more programs to guarantee qualified loans for the construction, acquisition, and renovation for housing for current or former foster youth who are 18 to 25 years of age and qualify for specified housing programs, with preference given to counties with high housing inelasticity and high rates of foster youth.
Status: Held under submission in Assembly Committee of Appropriations.
- **AB 1044 (Gallagher) - California Agriculture Relief Act:** The California Small Agricultural Business Drought Relief Grant Program within the Office of the Small Business Advocate, under the authority of its director, will provide grants to qualified small agricultural businesses that have been affected by severe drought conditions.
Status: Held under submission in Assembly Committee of Appropriations.
- **AB 1153 (Alvarez) – San Diego Unified Port District:** This bill would require the board, in implementing the master plan, to include funding for cooperative infrastructure and capital projects that directly address maritime industrial impacts by the port in cities that host maritime terminals, as specified. In addition to that funding, this bill would require the board to dedicate 1% of the port's revenue, as specified, for those cooperative infrastructure and capital projects.
Status: Assembly-In Committee Process –Jobs, Economic Development and the Economy
- **AB 1182 (Petrie-Norris) - Energy: GO-Biz:** The Energy: GO-Biz bill would identify opportunities to co-fund grants that meet the state's climate goals, post federal IRA and IJJA grants, tax incentives, or other opportunities on their internet website, and collaborate with state agencies to maximize awards to projects in the state.
Status: Held under submission in Assembly Committee of Appropriations.
- **AB 1198 (Grayson) - GO-Biz: Energy Unit: Equity:** AB 1198 establishes the Equity in Energy Task Force to develop a comprehensive strategy aimed at addressing equity in the energy industry and increasing the participation rate of women, minorities, disabled individuals, and veteran-owned businesses, as well as individuals from disadvantaged communities.
Status: The Assembly Committee of Appropriations canceled the hearing at the author's request.

- **AB 1511 (Santiago) - State Government: Ethnic Media Program:** California’s ethnic media sector is robust and diverse. This bill would create the Ethnic Media Program in GO-Biz, led by a director appointed by the Governor to serve a 5-year term, to help state departments integrate ethnic media into their public outreach and engagement strategies. Roughly 300 ethnic media outlets publish and broadcast in California, serving at least 38 ethnic, racial, and cultural communities.
Status: Re-referred to the Assembly Committee on Rules
- **AB 1562 (Garcia) - Governor’s Office of Business and Economic Development: Southeast California Desert Valleys Economic Zone:** This bill would advance incentives and investments from lithium extraction. The bill would help these areas compete for federal, state, and local funding and investments. Creating an economic zone around “Lithium Valley” is an excellent opportunity to encourage economic development for California’s most underserved areas and people.
Status: In the Assembly Committee of Appropriations, the committee postponed the hearing.
- **AB 1669 (Quirk-Silva) - California Historically Significant Commercial District Act:** This bill would establish the California Historically Significant District Program to revitalize and maintain historically and culturally significant commercial corridors throughout the state by funding technical assistance, training, and other activities that increase the capacity of revitalization entities to provide business assistance programs and services that meet the unique needs of small businesses that operate within historic commercial districts.
Status: Held under submission in Assembly Committee of Appropriations.
- **SB 418 (Padilla) - California Prison Redevelopment Commission:** Establishes the California Prison Redevelopment 15-member Commission (Commission), under the direction of the Director of the Governor’s Office of Business and Economic Development (GO-Biz), tasked with developing findings and recommendations for creative uses of closed prison facilities that will turn those sites into community assets. This bill states all requirements will only become operative upon appropriation by the Legislature and repeals the provisions as of January 1, 2026.
Status: Held under submission in Assembly Committee of Appropriations.
- **SB 447 (Atkins) - GO-Biz:** This bill establishes the Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project (BRIDGE Project) within the Governor’s Office of Business and Economic Development (GO-Biz) to raise public awareness and promote civil rights and antidiscrimination through education, advertising, and marketing activities. Permits GO-Biz to contract with appropriate advertising agencies and requires any media campaign not to promote political purposes or feature a public official or candidate for elected office, as specified.
Status: Signed by the Governor, Chaptered by the Secretary of State. Chapter 199, Statutes of 2023
- **SB 517 (Gonzalez) – Economic Development: Movement of freight:** This bill establishes a Freight Coordinator (Coordinator) within the Governor’s Office of Business and Economic Development (GO-Biz) to steer the growth, competitiveness,

and sustainability for freight and the supply chain across the state and to promote and assess the continued economic vitality, economic competitiveness, and sustainability of the freight sector, as specified. Makes various findings and declarations.

Status: July 11 set for first hearing canceled at the request of author

- **SB 822 (Durazo) - Workforce Development: Interagency High Road Act:** Requires the Department of Industrial Relations (DIR) and the California Workforce Development Board (CWDB) to create high road evaluation metrics and provide technical assistance to state agencies in their high road reporting requirements. Requires, by January 1, 2025, specified state agencies to enter into agreements with the CWDB to coordinate economic and workforce development planning, analysis, and implementation activities. This provision shall become inoperative on January 1, 2029.

Status: Vetoed by Governor, October 8, 2023

Governor's veto message:

I am returning Senate Bill 822 without my signature. This bill creates the Interagency High Road Act and requires the Department of Industrial Relations (DIR) and the California Workforce Development Board (CWDB) to consult with stakeholders, including public input, on the development and evaluation of high road metrics. It also requires certain state agencies to enter into a memorandum of understanding (MOU) with the CWDB to incorporate high road evaluation metrics in the state agency's procurement processes, contracts, and incentive programs.

I strongly support efforts to maximize state and federal funding opportunities while delivering high quality jobs that increase opportunity for all communities and decrease disparities in historically disadvantaged areas. To further this work, I issued an Executive Order to accelerate clean infrastructure projects with an all-of-government strategy for planning and development and tracking progress toward equity goals that support disadvantaged communities - including good jobs. California's Infrastructure Strike Team is also driving collaboration across state agencies - including in the area of workforce training and development. Additionally, the Department of General Services and the Governor's Office of Business and Economic Development are supporting implementation of AB 2019 (2022), to advance equitable inclusion and utilization of small and diverse businesses in California's state procurement and contracting opportunities.

Additionally, I have signed several bills that ensure public contracting dollars are also investing in human infrastructure, including SB 150 that requires the Labor and Workforce Development Agency, Government Operations Agency, and the State Transportation Agency to convene relevant stakeholders and draft recommendations to ensure that investments maximize benefits to marginalized and disadvantaged communities. The recommendations are due by March 30, 2024.

It is advisable to allow time for those policies to be implemented before adding more requirements that may duplicate efforts.

For these reasons, I cannot sign this bill.

- **SCR 22 (Newman) - The Republic of Latvia:** This resolution expresses the Legislature's support for the Governor to execute a cooperation agreement between the Republic of Latvia and the State of California to promote mutual international trade and commerce.

Status: Signed by the Governor, Chaptered by the Secretary of State. Res. Chapter 31, Statutes of 2023

- **SCR 24 (Bradford) - Alternatives to cobalt mined in Africa using child slave labor:**
This resolution declares that the Legislature should pass laws that halt the importation of cobalt or any product using cobalt mined in Africa using child slave labor and encourages domestic importation of cobalt from within the United States and the mining of cobalt directly in California.
Status: Signed by the Governor, Chaptered by the Secretary of State. Res. Chapter 149, Statutes of 2023

- **SCR 57 (Portantino) - Sister state relationship with the Philippine Province of Bulacan:** This resolution declares that California is home to over 1.2 million Filipinos, with over half a million residing in Los Angeles County. Since 1965, over 30 cities in our state have established a sister city relationship with the Philippines. This resolution will invite the Philippine Province of Bulacan people to join California in a sister-state relationship.
Status: Signed by the Governor, Chaptered by the Secretary of State. Res. Chapter 138, Statutes of 2023

Joint Informational Hearing

Joint Informational Hearing: Jobs, Economic Development and the Economy and the Select Committee on Asia/California Trade and Investments

Economic Developments in Global Markets Due to Climate Change

CA Public Utilities Commission Auditorium
505 Van Ness Avenue, San Francisco, CA 94102
Friday, October 27, 2023, 1:00 p.m. – 3:00 p.m.

I. Welcome

- Assemblymember Phil Ting, Chair, Select Committee on Asia/California Trade and Investments
- Assemblymember Carlos Villapudua, Chair, Jobs, Economic Development and The Economy

II. Setting the Stage: Trade between California and Asia

- Henan Li, Trade and Investment Representative, International Affairs and Trade, Go-Biz
- Sean Randolph, Senior Director, Bay Area Council Economic Institute
- N. Bruce Pickering, Vice President of Global Programs at Asia Society

III. Technological Advances in Agriculture: Impacts on Trade

- Tom Harmon, Professor and Faculty Director of Sierra Nevada Research Institute, UC Merced
- Darlene Chiu Bryant, Founder and Executive Director, GlobalSF
- Steve Schult, Vice President of Global Supply Chain, Blue Diamond Growers

IV. Clean Transportation Deployment

- Scott Hardman, Electric Vehicle Research Center, UC Davis
- John Boesel, President and CEO, CALSTART
- Matt Schrap, CEO, Harbor Trucking Association

V. Public Comment

Hearing Panelists:



Name: Darlene Bryant (Chiu)

Bio: Darlene Chiu Bryant is the founder and executive director of GlobalSF, a global not-for-profit platform committed to bringing together key stakeholders in the public and private sectors to create sustainable economic growth for San Francisco and the Bay Area. Before founding GlobalSF, Darlene was appointed by the late San Francisco Mayor Edwin M. Lee to head up ChinaSF, a public-private partnership of the City of San Francisco. She oversaw efforts that brought more than \$5.1 billion in Foreign Direct Investment to the San Francisco Bay Area.

Darlene has had a diverse career in both the public and private sectors. She has experience in the global supply and value chain, working overseas in German, Japanese, and Chinese multinational firms and in her native San Francisco, where she brought her international experience to communications and public affairs roles for then-Mayor Gavin Newsom, East West Bank, United Commercial Bank, and Pacific Gas & Electric Company.

Darlene currently serves as board chair of the Angel Island Immigration Station Foundation, president and founding board member of the Asian Pacific American Leadership Foundation and CALNET, founding advisory board member to the University of San Francisco Center for Business Studies and Innovation for the Asia Pacific, and board member of the San Francisco Chamber of Commerce. Her past community work has included serving as San Francisco Small Business Commissioner, serving on the boards of the Chinese Culture Center of San Francisco, Pacific Asian American Women Bay Area Coalition (PAAWBAC), and being an advisor to the Community Youth Center in San Francisco.

Nominated among the most influential women in Bay Area Business by the San Francisco Business Times in 2019 and 2015, Darlene was named the “Fixer” for Chinese Companies wanting to make hay in San Francisco in the San Francisco Magazine.



Name: N. Bruce Pickering, Ph.D.

Bio: Dr. N. Bruce Pickering is the Project Manager for the Inland California Project. This four-campus University of California initiative (Berkeley, Merced, Davis, and Riverside) examines innovations and policies instituted by Japan, Israel, and Denmark to maintain the economic and social viability of their rural regions, considering their potential for application in California.

In addition to the Inland California Project, Dr. Pickering is also the US Director of the Global Bay Areas Initiative, which is designed to look at the common characteristics of Bay Regions throughout the Asia Pacific region. This initiative is supported by the Chinese Academy of Sciences, Harvard University, the Central Party School of the People's Republic, the USC Marshall School of Business, and the Stanford China Program. He also teaches graduate and undergraduate classes centered on the Political Economy of the Asia-Pacific region at the University of San Francisco.

Before his current work, Dr. Pickering was a Senior Policy Advisor at GlobalSF, an international business development organization closely associated with the San Francisco Bay Area. In this capacity, he manages a significant initiative with local, state, and national policy figures designed to anticipate the future of the post-COVID economy. From 2003 to 2018, Pickering was the vice president of global programs and executive director of Northern California for the Asia Society. He grew the organization's domestic and international footprint in that capacity, particularly in international trade and finance, sustainability, arts and culture, and political economy. He has an extensive Non-Profit background and has served as a Foreign Service Officer specializing in arms control issues. He received his MA in Political Science from Stanford University and Ph.D. in History from the University of California, Berkeley.



Name: Sean Randolph

Bio: Sean Randolph is Senior Director of the Bay Area Council Economic Institute, a public-private partnership of business, labor, government, and higher education that fosters a competitive economy in California and the San Francisco Bay Area, including San Francisco, Oakland, and Silicon Valley. The Economic Institute produces authoritative analyses on economic policy issues affecting the region and the state, including infrastructure, globalization, energy, science, and governance. It mobilizes California and Bay Area leaders around targeted policy initiatives. Dr. Randolph previously served as President & CEO of the Bay Area Economic Forum, which merged with the Bay Area Council in January 2008, and as director of international trade for the State of California, where he developed trade strategy and directed international business programs to stimulate exports and introduce California companies to overseas markets. Before service with the state, he was Managing Director of the RSR Pacific Group, an international business consulting firm specializing in Asia and Latin America, and before that served as International Director General of the Pacific Basin Economic Council, a 15-nation international organization of leading U.S., Asian and Latin American corporations. His professional career includes extensive experience in the U.S. Government, including the U.S. Congress and White House staff. From 1981–85, he served in the U.S. State Department, as officer for Asia on the Policy Planning Staff, as Special

Adviser for Policy in the Bureau of East Asian and Pacific Affairs, and as Deputy/Ambassador-at Large for Pacific Basin affairs. From 1985 to 88, he served as U.S. Deputy Assistant Secretary of Energy for International Affairs, managing nuclear non-proliferation, energy research, and global oil and gas issues. Dr. Randolph holds a JD from the Georgetown University Law Center, a Ph.D. from the Fletcher School of Law and Diplomacy (Tufts and Harvard Universities), a B.S.F.S. from Georgetown's School of Foreign Service, and studied at the London School of Economics. He serves on the San Francisco Bay Conservation and Development Commission (BCDC), which he chaired from 2005–2012, and on the State of California's Public Infrastructure Advisory Commission (PIAC). He is a member of the District of Columbia Bar Association, the Council on Foreign Relations, and the Pacific Council on International Policy. He serves on the Advisory Board of the University of San Francisco Center for the Pacific Rim and the President's Advisory Council of Excelsior College (New York). Dr. Randolph speaks frequently before business, government, and university audiences and writes for U.S. and international media on global, national, state, and regional economic and policy issues.



Name: Henan Li

Bio: Henan Li serves as the Asia Trade and Investment Representative for the International Affairs and Trade team at the California Governor's Office of Business and Economic Development (GO-Biz). In that capacity, she is responsible for managing the state's export promotion initiatives to the Asia Pacific Rim region, foreign investment attraction efforts from the same region, and the broader international affairs strategy with Asian countries and regions. She brings more than 14 years of experience in international business development, trade promotion initiatives, and project management in the public and private sectors. Before her time at GO-Biz, Ms. Li served as the Global Initiative Director of the California Asian Pacific Chamber of Commerce and the Director of the Minority Business Development Agency (MBDA) Export Center in Sacramento, California, where her duty included enhancing the development and implementation of the MDCP Program and MBDA program under the cooperative agreements with the U.S Department of Commerce to assist U.S businesses to access international markets.



Name: Steve Schult

Bio: Steve Schult is Vice President of the Global Supply Chain for Blue Diamond Growers. He leads the end-to-end inventory and service execution from orchard to table for the world's largest nut processor. Before joining Blue Diamond Growers, Steve led the end-to-end supply chain for several mid-scale start-ups. He spent ten years with Nestle, leading network optimization for the world's most extensive frozen direct store delivery

system. Steve serves on the Federal Maritime Shipping Committee National Shipper Advisor Council on behalf of Blue Diamond. Steve has a Master of Science in Logistics, Transportation, and Supply Chain Management from the University of Washington.



Name: Tom Harmon

Bio: Thomas (Tom) C. Harmon is a professor of civil and environmental engineering and Founding Faculty member at the University of California Merced, where he also serves as Director of the Sierra Nevada Research Institute (snri.ucmerced.edu), an organized research unit overseeing the work of 60 faculty and professional researchers. Before joining the faculty at UC Merced, he served on the faculty at the University of California, Los Angeles. His teaching and research interests focus mainly on developing technologies and approaches to monitor, model, and sustain environmental systems. He also works regularly on identifying pathways toward solving complex socio-environmental problems, most recently as a Director of the University of California multi-campus research program on Labor and Automation in California Agriculture: Equity, Productivity, and Resilience (laca.ucmerced.edu) and in the design of the UC Merced Experimental Smart Farm. Dr. Harmon has a B.S. in civil engineering from Johns Hopkins University and an M.S. and Ph.D. in environmental engineering from Stanford University. Working with other leading environmental engineers and scientists, Dr. Harmon co-authored the National Academies 2019 report *Environmental Engineering for the 21st Century: Addressing the Grand Challenges*.



Name: Matt Schrap

Bio: Matt Schrap currently holds the position of Chief Executive Officer for the Harbor Trucking Association. Since taking the role in June of 2021, he has worked with myriad challenges impacting harbor drayage and maritime operations on the West Coast. Previously, Matt was the Vice President of Government Programs for the Velocity Vehicle Group. He worked closely with state, local, and national governmental organizations, assisting hundreds of equipment owners with in-use regulatory compliance standards and public assistance opportunities for heavy-duty equipment turnover in California. Before his time at VVG, Matt was Director of Environmental Affairs for the California Trucking Association, where he worked on Air Quality Regulatory Programs and Intermodal Policy. Matt joined CTA after completing a Fellowship with the Center for California Studies, State Senate Fellows Program.

He is also an instructor for the Center for International Trade and Transportation Global Logistics Professional Designation at CSULB. He holds an MA in Public Policy Administration from CSULB and a BA in Government from Sacramento State.



Name: John Boesel

Bio: John Boesel is President and Chief Executive Officer of CALSTART, a nonprofit organization dedicated to developing clean, efficient solutions within the transportation sector to significantly reduce air pollution, improve public health, and help mitigate the effects of global climate change. He assumed this position in 2001, having served as vice president of technology programs since 1993.

Before joining CALSTART, Boesel worked as a commercial banker for Wells Fargo in their corporate headquarters. He also served for nearly four years as a legislative aide to California Assemblyman Sam Farr, managing energy and environmental legislation.

Boesel holds a Bachelor of Arts in history from the University of California, Davis, and an MBA from the University of California, Berkeley's Haas School. He serves on the UC Davis Institute for Transportation Studies Advisory Board and is a U.S. Environmental Protection Agency's Mobile Source Technical Review Subcommittee member.



Name: Scott Hardman, Ph.D.

Bio: Scott Hardman is a professional researcher in the Plug-in Hybrid & Electric Vehicle Research Center at the Institute of Transportation Studies at the University of California Davis. Scott holds a Ph.D. in Hydrogen Fuel Cells and their Applications from the University of Birmingham, UK. His work is on consumer adoption of electric, fuel cell, and automated vehicles. This includes investigating the importance of incentives and understanding the buyers of electric vehicles and their preferences and purchase motivations. He also explores consumer preferences, purchase intentions of automated vehicles, and potential travel behavior changes resulting from the vehicles' introduction.

Scott coordinates the International EV Policy Council, a global initiative that brings together academics from 15 countries to develop evidence-based policy recommendations for national and regional policymakers.

BUDGET

The California state budget for 2023-24 reflects a comprehensive array of investments and initiatives to support small businesses and foster economic growth, focusing on addressing challenges posed by the COVID-19 pandemic and promoting inclusivity in the economy.

Key points and allocations include:

Support for Small Businesses:

Significant and far-reaching investments have been strategically deployed to fortify the small business sector, demonstrating a comprehensive approach to address both immediate and long-term economic needs. These investments encompass diverse measures, ranging from targeted tax relief initiatives designed to alleviate the burdens of businesses impacted by the tumultuous COVID-19 pandemic to innovative fee waivers meticulously crafted to stimulate the growth of new enterprises. In recognition of the critical role that grant programs and technical assistance centers play in nurturing the entrepreneurial ecosystem, additional funding has been channeled to fortify these support pillars. Furthermore, the budget heralds the introduction of pioneering programs geared towards bolstering entrepreneurs while championing the cause of inclusivity within the economy, aiming to forge a path to prosperity for a diverse array of business owners.

Of particular note is the historic investment of nearly \$4 billion reserved for the California Small Business COVID-19 Relief Grant Program. This monumental commitment underscores the state's unwavering determination to provide essential lifelines to businesses grappling with the multifaceted challenges posed by the pandemic. Such support is poised to be pivotal in helping companies weather the storm and emerge stronger on the other side.

In a resounding affirmation of its dedication to the economic vitality of California, the state has strategically allocated over \$800 million in General Fund investments. This allocation is a testament to its commitment to sustaining and fortifying previous years' investments and as a catalyst for economic growth and resilience. These investments are poised to play a pivotal role in shoring up the foundations of California's businesses, ensuring their enduring viability, and continued contributions to the state's economic tapestry.

Extension of California Competes Grant Program:

Within the budget framework, a notable provision entails extending the California Competes grant program, signifying a sustained commitment to bolstering economic development opportunities within the state. A substantial allocation of \$120 million from the General Fund underscores the importance of this program, which initially took root in the 2021 Budget. Established as an extension of the successful California Competes Tax Credit program, its primary mission is to provide essential support to businesses that offer critical economic development prospects but may be at risk of relocating outside California.

Crucially, the program maintains its unwavering focus on fostering advancements in semiconductor-related projects, recognizing this industry's pivotal role in technological innovation and economic growth. Additionally, a significant adjustment within the program is removing the cap on grant amounts per recipient, a strategic move to ensure businesses have access to the necessary resources to thrive. These provisions remain steadfast for grants to be awarded during the fiscal year 2023-24, creating a stable and conducive environment for businesses to flourish.

The California Competes grant program is pivotal in the state's economic strategy, catalyzing leveraging federal funds made available under the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act. This strategic alignment fortifies the state's position in semiconductor manufacturing and research and development and bolsters its competitive edge on the global stage. As technology and innovation evolve, the program's role in nurturing growth in this critical sector remains instrumental in shaping California's economic trajectory.

Workforce Outreach and Apprenticeships:

The budget proposal includes several vital allocations to strengthen California's labor force and promote inclusivity in the workforce. A significant portion of \$25 million is designated as one-time Labor Workforce Enforcement Funds for the California Workplace Outreach Program. This initiative involves forming partnerships with various organizations to enhance worker and employer education. It aims to empower employees and employers with the necessary knowledge and resources to navigate the labor landscape effectively.

Another vital budget component is the Apprenticeship Innovation Fund, which initially received a substantial allocation of \$175 million over three years. However, the current proposal involves a \$40 million reduction, resulting in a three-year investment of \$135 million. This adjustment aims to maintain fiscal responsibility while still supporting apprenticeship programs. Importantly, there is a provision for potential restoration of the fund in 2024 if sufficient General Fund resources become available, underscoring the state's commitment to workforce development and apprenticeships.

Additionally, the budget emphasizes inclusivity in the labor market by allocating an additional \$5 million in one-time General Fund resources. These funds are specifically designated for workforce and wraparound services intended to support individuals facing various barriers to employment. This allocation highlights the government's dedication to creating opportunities for all Californians to participate meaningfully in the labor force, irrespective of their challenges. These budget allocations reflect the state's proactive approach to workforce development and its commitment to fostering a more inclusive labor market.

Sustainable Economic Initiatives:

The budget underscores the state's unwavering dedication to sustainability and innovation by allocating approximately \$2.2 billion in General Fund investments toward several vital areas. A significant portion of this allocation is directed toward expanding apprenticeships and workforce training programs, specifically addressing the challenges posed by climate change mitigation. These initiatives aim to equip the workforce with the skills and knowledge necessary to contribute effectively to California's sustainability goals. Moreover, the budget strongly emphasizes inclusivity within the labor market by creating opportunities for individuals at risk or on the edge of employability, fostering economic resilience, and reducing disparities.

The budget introduces a novel approach to promoting entrepreneurship and attracting global talent by designating an additional \$2 million in one-time General Fund resources. This allocation is intended to launch an entrepreneur-in-residence project, which will be open to foreign-born entrepreneurs and UC students. This innovative endeavor supports job creation and serves as a platform for harnessing global talent and promoting innovation within the state. By fostering collaboration between local and international entrepreneurs, the project has the potential to contribute significantly to California's position as a hub for innovation and economic growth. These budgetary provisions highlight California's forward-thinking approach to sustainability, workforce development, and fostering a thriving entrepreneurial ecosystem.

Expansion of New Employment Credit and Support for Agriculture:

The budget demonstrates a strategic commitment to economic development and environmental sustainability through targeted measures. One noteworthy initiative is the expansion of the New Employment Credit, which involves removing geographic restrictions

and amplifying potential credits for specific industries. This forward-looking move promotes inclusivity and economic growth and effectively positions California to harness federal CHIPS Act funding. Furthermore, it supports green initiatives, aligning with the state's efforts to combat climate change and promote a sustainable future. This expanded credit program is poised to encourage companies to invest in California, foster innovation, and create employment opportunities in various sectors.

Another crucial budget component is allocating a \$20 million one-time General Fund towards expanding the California Small Agricultural Business Drought Relief Grant Program. This program is vital in directly assisting agriculture-related businesses adversely affected by recent storms. By bolstering this program, the budget recognizes the significance of the agricultural sector in the state's economy and its vulnerability to unpredictable weather patterns. This expected allocation will offer much-needed relief to businesses in the farming industry, helping them recover and build resilience against future challenges. These budgetary measures underscore California's commitment to economic vitality and environmental stewardship while ensuring the well-being of crucial sectors like agriculture.

Technical Assistance and Infrastructure Investment:

The budget outlines a comprehensive strategy to support small businesses, particularly those owned by socially and economically disadvantaged individuals. This strategy includes a substantial allocation of \$23.5 million in Federal Funds, distributed over five years, to bolster technical assistance programs. The funds are designated for the Office of the Small Business Advocate and are specifically geared towards assisting businesses seeking State Small Business Credit Initiative capital programs. This initiative reflects the state's commitment to fostering an inclusive entrepreneurial ecosystem and ensuring that underrepresented entrepreneurs can access the resources and guidance they need to thrive.

To promote local economic development and urban revitalization, the City of Fresno is set to receive a significant injection of \$250 million from the General Fund. This substantial investment, spread over three years, will be directed towards the city's Public Infrastructure Plan, primarily focusing on downtown revitalization and essential infrastructure improvements. This allocation underscores the government's commitment to enhancing urban infrastructure and promoting economic growth within Fresno. This is expected to positively impact the community by creating jobs, improving the quality of life for residents, and attracting further investments to the city. In sum, these budgetary provisions reflect a dual commitment to fostering small business growth and enhancing the vitality of urban areas, aligning with the state's broader goals of economic prosperity and community development.

Promotion of California Manufacturing and Climate Action:

The budget reflects a multifaceted approach to promoting economic development, equity, and sustainability within California. A notable initiative is the relaunch of the Made in California Program, bolstered by a one-time General Fund allocation of \$1.5 million. This program is poised to be pivotal in increasing consumer awareness of locally sourced products and supporting local manufacturing endeavors. By doing so, it not only stimulates economic growth but also reinforces the state's commitment to fostering a robust and sustainable local production ecosystem.

Furthermore, the budget underlines California's dedication to environmental stewardship by earmarking funds to complete a comprehensive statewide zero-emission roadmap. This roadmap is intended to identify actionable steps necessary to meet the state's ambitious zero-emission goals while minimizing any adverse effects on existing workers. This approach highlights a commitment to both environmental sustainability and the welfare of the workforce, displaying a balanced and forward-thinking policy.

The budget also exemplifies a commitment to racial equity and youth empowerment, with \$3.8 million in General Fund resources dedicated to the Racial Equity Commission and \$3.1 million for the Youth Empowerment Commission. Notably, a net-zero transfer of \$1.5 million from the Youth Empowerment Commission to the Office of Planning and Research (OPR). Additionally, statutory changes were made to facilitate the transfer of the Youth Empowerment Commission to OPR and extend the sunset date for both commissions to January 1, 2030. These measures reflect the state's dedication to addressing racial disparities and empowering its youth, ensuring a more equitable and inclusive future for all Californians. In summary, this budget exemplifies a comprehensive and forward-looking approach, encompassing economic development, environmental sustainability, racial equity, and youth empowerment to shape a brighter future for the state.

COVID-19 Outreach:

The budget strategy involves a notable adjustment, with an \$80 million reduction in one-time General Fund allocation for COVID-19 outreach, administered by the Office of Community Partnerships and Strategic Communities within the Office of Planning and Research (OPR). This change leaves a remaining \$150 million in General Fund resources available for the outreach campaign. This adjustment reflects a balanced approach to resource allocation, where the state maintains its commitment to addressing the ongoing pandemic while ensuring fiscal responsibility.

These budget allocations and initiatives underscore the state's multifaceted commitment to various vital priorities. They demonstrate a concerted effort to support small businesses

through measures like the Made in California Program, fostering economic growth and job creation. The emphasis on inclusivity and workforce development is evident in initiatives such as the Apprenticeship Innovation Fund and additional General Fund allocations for workforce services aimed at breaking down barriers to employment.

Moreover, the budget remains responsive to the ongoing challenges posed by the pandemic, as seen in the adjusted allocation for COVID-19 outreach. In summary, these budgetary measures represent a comprehensive approach to addressing California's immediate and long-term needs, highlighting the state's dedication to resilience, economic vitality, and the well-being of its residents.

Glossary of Terms

Abbreviations used in committee work are as follows:

- **BTH:** Business Transportation and Housing Agency
- **BIDs:** Business Improvement Districts
- **CAEATFA:** California Alternative Energy and Advanced Transportation Financing Authority
- **CalBIS:** California Business Investment Services
- **CALED:** California Association for Local Economic Development
- **Cal EMA:** California Emergency Management Agency
- **CAL GOLD:** California Government Online to Desktops
- **CalCAP:** California Small Business Capital Access Loan Program
- **CalCAP for ADA:** California Small Business Capital Access Loan Program for Americans with Disabilities Act
- **CalCAP for Seismic Safety:** California Small Business Capital Access Loan Program for Seismic Safety
- **CalWORKs:** California Work Opportunity and Responsibility to Kids Program
- **CCTC:** California Competes Tax Credit
- **CDFI:** Community Development Financial Institution
- **CEDP:** California Economic Development Partnership
- **CERF:** Community Economic Resiliency Fund Program
- **CPCFA:** California Pollution Control Financing Authority
- **CWDB:** California Workforce Development Board
- **CWIB:** California Workforce Investment Board
- **DGS:** California Department of General Services
- **DOL:** U.S. Department of Labor
- **DVBE:** Disabled Veterans Business Enterprise
- **EDA:** Economic Development Administration
- **EDC:** Economic Development Corporation
- **EDD:** Employment Development Department
- **ETP:** Employment Training Panel
- **EZ:** Enterprise Zone
- **FDI:** Foreign Direct Investment
- **GEDI:** Governor's Economic Development Initiative
- **GDP:** Gross Domestic Product
- **GHG:** Greenhouse Gas
- **G-TEDA:** Geographically Targeted Economic Development Area

- **GO-BIZ:** Governor’s Office of Business and Economic Development
- **GOED:** Governor’s Office of Economic Development
- **HCD:** Department of Housing and Community Development
- **HIGH ROAD:** High Road policies are a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity, and a clean environment
- **HRTTP:** High Road Training Partnerships
- **IBANK:** California Infrastructure and Economic Development Bank
- **iHUB:** Innovation Hub Program
- **IGPAC:** Intergovernmental Policy Advisory Committee on Trade
- **IBE:** Individuals with Barriers to Employment
- **ITA:** International Trade Administration
- **JEDE:** Assembly Committee on Jobs, Economic Development, and the Economy
- **JTPA:** Job Training Partnership Act
- **LAMBRA:** Local Agency Military Base Recovery Area
- **LHC:** Little Hoover Commission
- **LLR Program:** Loan Loss Reserve Program
- **LOCAL BOARDS:** Local Workforce Development Boards
- **MASA:** Military and Aerospace Support Act
- **MEA:** Manufacturing Enhancement Area
- **MOU:** Memorandum of Understanding
- **MSA:** Metropolitan Statistical Area
- **NS-ADJ:** Non-Seasonal Adjustment
- **NAICS:** North American Industry Classification System
- **NEC:** New Employment Credit
- **NEI:** National Export Initiative
- **OSBA:** Office of the Small Business Advocate
- **OZ:** Opportunity Zone
- **PZ:** Promise Zone
- **PACE:** Property Assessed Clean Energy
- **REAL:** Regional Economic Association of Leaders Coalition
- **ROI:** Return on Investment
- **S-ADJ:** Seasonal Adjustment
- **SBA:** Small Business Administration
- **SBE:** Small Business Enterprise
- **SBLGP:** Small Business Loan Guarantee Program
- **SBDC:** Small Business Development Center
- **SEDI:** Socially and Economically Disadvantaged Individual

- **SPOC:** State Point of Contact
- **SSBCI:** State Small Business Credit Initiative
- **STEP:** State Trade and Export Promotion Program
- **SUTE:** State Sales and Use Tax Exemption
- **TEA:** Targeted Employment Area
- **TPP:** Trans-Pacific Partnership
- **TTA:** Targeted Tax Area
- **TTIP:** Transatlantic Trade and Investment Partnership
- **USTR:** United States Trade Representative
- **WIA:** Workforce Investment Act
- **WIOA:** Workforce Innovation and Opportunity Act
- **ZEV:** Zero Emission Vehicles, as in the ZEV Infrastructure Unit

Related Definitions

- **BUSINESS IMPROVEMENT DISTRICTS (BIDS):** Business Improvement Districts are nonprofit entities that serve property and business owners. Once formed under California law, the Business Development District is authorized to place assessments on business and property owners to pay for capital improvements and/or operating improvements.
- **BUSINESS, TRANSPORTATION, AND HOUSING AGENCY (BTH):** BTH oversees the activities of 14 departments consisting of more than 45,000 employees, a budget greater than \$18 billion, and several economic development programs and commissions. Its operations address financial services, transportation, affordable housing, tourism, managed health care plans, and public safety. The Governor's Reorganization Plan 2 eliminated BTH and transferred its programs to other state entities. Several BTH programs and services were transferred to the Governor's Office of Business and Economic Development in 2012.
- **CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY (CAEATFA):** A state financing authority that was established to advance the state's goals of reducing the levels of greenhouse gas emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase energy efficiency, creating high-quality employment opportunities, and lessening the state's dependence on fossil fuels. Among other programs, CAEATFA administers the Sales and Use Tax Exclusion Program, which

reimburses manufacturers for the local and/or state sales tax on specified equipment.

- **CALIFORNIA ASSOCIATION FOR LOCAL ECONOMIC DEVELOPMENT (CALED):** CALED is a statewide professional economic development organization dedicated to advancing its members' abilities to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership comprises public and private organizations and individuals involved in economic development.
- **CALIFORNIA BUSINESS INVESTMENT SERVICES (CalBIS):** Housed in the Governor's Office of Business and Economic Development, CalBIS serves employers, corporate real estate executives, and site location consultants considering California for new business investment and expansion.
- **CALIFORNIA COMPETES TAX CREDIT (CCTC):** The California Competes Tax Credit is a capped and allocated tax credit awarded through a competitive process overseen by the Governor's Office of Business and Economic Development. Credits are available to California taxpayers and those interested in locating in California.
- **CALIFORNIA ECONOMIC DEVELOPMENT PARTNERSHIP (CEDP):** The CEDP was formed by Governor Schwarzenegger in 2005 as an interagency team to coordinate state government economic development activities. Now defunct, its purpose was to facilitate coordination between the state, regional/local economic development organizations, and public/private resources to retain, expand, and attract jobs in California.
- **CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CALEMA):** CALEMA was established in 2009 by merging the duties and powers of the former Governor's Office of Emergency Services with those of the Governor's Office of Homeland Security. On July 1, 2013, Governor Brown's Reorganization Plan #2 eliminated CALEMA. They restored it to the Governor's Office, renaming it the California Governor's Office of Emergency Services (Cal OES) and merging it with the Office of Public Safety Communications.
- **CALIFORNIA GOVERNMENT ONLINE TO DESKTOPS (CalGOLD):** The CalGOLD database is housed on the Governor's Office of Business and Economic Development website and provides links and contact information

that direct businesses to agencies that administer and issue business permits, licenses, and registration requirements from all levels of government. The CalGOLD listings include descriptions of the requirements and the agencies' names, addresses, and telephone numbers that administer those requirements and issue the permits and licenses, and, in most cases, a direct link to the agencies' Internet web pages.

- **CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA):** A state financing authority that was established to promote access to capital through the delivery of financing options to California business and environmental industries, including financing to qualified waste and recycling projects and other projects to control pollution and improve water supply. Additionally, CPCFA administers the California Small Business Capital Access Loan Program, which encourages financial institutions to make loans to small businesses and provides for specialty programs targeted toward building an improved infrastructure for zero- and partial-emission vehicles and assisting small businesses in making structural improvements to address seismic safety issues and compliance with the federal Americans with Disabilities Act.
- **CALIFORNIA SMALL BUSINESS CAPITAL ACCESS LOAN PROGRAM FOR AMERICANS WITH DISABILITIES ACT (CalCAP for ADA):** A credit enhancement program administered by the California Pollution Control Financing Authority to encourage private financial institutions to provide small business loans for activities related to compliance with the requirements of the ADA.
- **CALIFORNIA SMALL BUSINESS CAPITAL ACCESS LOAN PROGRAM (CalCAP):** A credit enhancement program administered by the California Pollution Control Financing Authority to assist small business owners in obtaining loans for a variety of purposes through a loan loss reserve model.
- **CALIFORNIA SMALL BUSINESS CAPITAL ACCESS LOAN PROGRAM FOR SEISMIC SAFETY (CalCAP for Seismic Safety):** A credit enhancement program administered by California Pollution Control Financing Authority to assist residential property owners and small business owners in seismically retrofitting residences and small businesses with a priority on soft-story buildings and unreinforced brick and concrete buildings.

- **CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS PROGRAM (CalWORKs):** Provides temporary financial assistance and employment-focused services to families with minor children who have income and property below state maximum limits for their family size. Most non-disabled parents benefitting from the program must also participate in the CALWORKs GAIN employment services program.
- **CALIFORNIA WORKFORCE DEVELOPMENT BOARD (CWDB):** The California Workforce Development Board assists the Governor in performing duties and responsibilities required by the federal Workforce Opportunity Investment Act of 2014. All members of the Board are appointed by the Governor and represent the many facets of workforce development – business, labor, public education, higher education, economic development, youth activities, employment, and training, as well as the Legislature.
- **CALIFORNIA WORKFORCE INVESTMENT BOARD (CWIB):** The California Workforce Investment Board assists the Governor in performing duties and responsibilities required by the federal Workforce Investment Act of 1998. In 2015, the California Workforce Development Board replaced this board.
- **COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG):** The Community Development Block Grant Program is a federal program administered through the U.S. Department of Housing and Urban Development. Funding is provided to states through a formula based on population and poverty rates. The three primary goals of the federal program are to serve low- and moderate-income people, to eliminate slums and blight, and to address other community development needs that pose a severe and immediate threat to the health and welfare of the community. Funding is provided directly to local jurisdictions with populations over 50,000 for a city and 200,000 for a county. For the smallest size communities, the federal government provided the money to the state for allocation. The California Department of Housing and Community Development administers a highly competitive award process for California's small cities and rural communities.
- **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI):** Nationwide, over 1000 CDFIs serve economically distressed communities by providing credit, capital, and financial services often unavailable from mainstream financial institutions. CDFIs have loaned and invested in distressed communities. Their loans and investments have leveraged billions more from the private sector for nationwide development activities in low-

income communities. California offers tax credits for investments in CDFIs under the Insurance Tax Law and the Personal and Corporate Income Tax Laws.

- **COMMUNITY ECONOMIC RESILIENCY FUND (CERF) PROGRAM:** The Community Economic Resiliency Fund Program is a \$600 million to support resilient, equitable, and sustainable regional economies. OPR, Labor Agency, and GO-Biz provide policy direction. The Business Management Division of EDD oversees the day-to-day operations.
- **DEPARTMENT OF GENERAL SERVICES (DGS):** The department employs over 4,000 employees and has a budget of over one billion dollars. Its functions include e-commerce and telecommunications; siting, acquisition, development, leasing, disposal, and management of state properties; architectural approval of local schools and other state-responsibility buildings; printing services provided by the second largest government printing plant in the U.S.; procurement of supplies needed by other state agencies; and maintenance of the vast fleet of state vehicles. The director serves on several state boards and commissions.
- **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD):** HCD is one of many departments within BTH. As California's principal housing agency, the mission of HCD is to provide leadership, policies, and programs to expand and preserve safe and affordable housing opportunities and promote strong communities for all Californians. HCD was responsible for oversight of California's G-TEDA programs.
- **DEPARTMENT OF LABOR (DOL):** A U.S. government cabinet body responsible for standards in occupational safety, wages, number of hours worked, unemployment insurance benefits, reemployment services, and a portion of the country's economic statistics. The U.S. Department of Labor is the lead federal agency in implementing the Workforce Innovation and Opportunity Act.
- **DISABLED VETERAN BUSINESS ENTERPRISE (DVBE):** Certified DVBEs that meet eligibility requirements can receive bid preferences on state contracts. DGS's Procurement Division certifies DVBEs and participates in the DVBE Council.
- **ECONOMIC DEVELOPMENT ADMINISTRATION (EDA):** The Economic Development Administration was established through the Public

Works and Economic Development Act of 1965 as a part of the U.S. Department of Commerce. The EDA's primary goals are to alleviate unemployment, diversify the economy, and assist urban areas with planning and emergency public works programs.

- **ECONOMIC DEVELOPMENT CORPORATION (EDC):** Locally based corporations whose mission is to promote investment and economic growth in their region.
- **ECONOMIC STRATEGY PANEL:** The Economic Strategy Panel was established in 1993 and eliminated in 2010. The Economic Strategy Panel aimed to develop an overall economic vision and strategy to guide public policy. The Panel engaged in an objective and collaborative biennial planning process that examined economic regions, industry clusters, and cross-regional economic issues. The California Regional Economies Project was a significant work product of the Economic Strategy Panel.
- **EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD):** EDD offers various services under the Job Service, Unemployment Insurance, Disability Insurance, Workforce Investment, and Labor Market Information programs. As California's largest tax collection agency, EDD audits and collects payroll taxes and maintains employment records for more than 16 million California workers.
- **EMPLOYMENT TRAINING PANEL (ETP):** The Employment Training Panel is a California State agency that began in 1983 and is designed to fund training that meets the needs of employers for skilled workers and the need of workers for long-term jobs. The program supports retraining incumbent frontline workers in companies challenged by out-of-state competition. The Employment Training Panel also funds training for unemployed workers. It prioritizes small businesses, employers, and workers in high-unemployment areas of the State—a tax on business funds the Employment Training Panel.
- **ENTERPRISE ZONE (EZ):** Geographically based economic incentive areas in California that provide regulatory or tax benefits to businesses. There were 42 Enterprise Zones in California. The California Enterprise Zone Program was eliminated in 2013. In its place, three different tax incentives were established under the Governor's Economic Development Initiative.
- **GEOGRAPHICALLY TARGETED ECONOMIC DEVELOPMENT AREA (G-TEDA):** A generic term for all geographically based economic

incentive areas in California, including Targeted Tax Areas (TTAs), Local Agency Military Base Recovery Areas (LAMBRAs), Enterprise Zones (EZs), and Manufacturing Enhancement Areas (MEAs).

- **GOVERNOR'S ECONOMIC DEVELOPMENT INITIATIVE (GEDI):** On July 11, 2013, California Governor Edmund G. Brown Jr. signed legislation to eliminate all Geographically Targeted Economic Development Areas tax incentives and to create three new incentives, including the State Sales and Use Tax Exemption, the New Employment Credit, and the California Competes Tax Credit.
- **GREENHOUSE GAS EMISSIONS (GHG):** A greenhouse gas is any atmospheric gas that absorbs infrared radiation and radiates heat. Common examples of these gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (NO₂), ozone, and water vapor. While water vapor is the most abundant source of greenhouse gas, it has the most negligible long-term heat impact on the earth.
- **GROSS DOMESTIC PRODUCT (GDP):** The monetary value of all the finished goods and services produced within a country's borders in a specific period, usually calculated annually. It includes all private and public consumption, government outlays, investments, and exports minus imports within a defined territory.
- **GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT (GO-BIZ):** GOBIZ was established in 2012 as a one-stop shop to help businesses invest and expand in California. The Governor's Office of Business and Economic Development was established through statute in 2012.
- **GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT (GOED):** GOED was a one-stop shop to help businesses invest and expand in California. It was established in 2010 by Executive Order S-05-10.
- **HIGH ROAD:** High Road is a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity, and a clean environment. The plans include but are not limited to, interventions that: (1) Improve job quality and job access, including for women and people from underserved and underrepresented populations; (2) Meet the skill and profitability needs of employers; and meet the economic, social, and environmental needs of the community.

- **HIGH ROAD TRAINING PARTNERSHIP:** High-road training Partnerships are projects or initiatives that use high-road strategies for developing industry-based and worker-focused partnerships.

- **INDIVIDUAL WITH EMPLOYMENT BARRIERS (IBE):** An individual with employment barriers means an individual with any characteristic that substantially limits an individual's ability to obtain employment, including indicators of poor work history, lack of work experience, or access to employment in nontraditional occupations, long-term unemployment, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, or welfare dependency. This includes, but is not limited to, members of all the following groups:
 - Displaced homemakers.
 - Low-income individuals.
 - Indians, Alaska Natives, and Native Hawaiians.
 - Individuals with disabilities.
 - Older individuals.
 - Ex-offenders.
 - Homeless individuals.
 - Youth in, or have aged out of, the foster care system.
 - Individuals with English language learners, individuals with low literacy levels, and individuals facing substantial cultural barriers.
 - Eligible migrant and seasonal farmworkers.
 - Individuals within two years of exhausting lifetime eligibility under Part A of Title IV of the Social Security Act.
 - Single parents, including single, pregnant women.
 - Long-term unemployed individuals; and (14) Transgender and gender nonconforming individuals.

- **INNOVATION HUB PROGRAM (iHub):** The iHub Program was intended to improve the state's national and global competitiveness by stimulating partnerships, economic development, and job creation around specific research clusters through state-designated iHubs. This program was replaced in 2021 by the Inclusive Innovation Hub Program, which was further modified in the 2022-23 Budget to become the Accelerate California: Inclusive Innovation Hub Program.

- **INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK):** The Infrastructure and Economic Development Bank is a state

financing authority that provides low-cost financing to public agencies, manufacturing companies, nonprofit organizations, and other entities eligible for tax-exempt funding. Since January 1, 1999, the Infrastructure and Economic Development Bank has financed over \$40 billion in tax-exempt bonds and loans for economic development and public infrastructure projects throughout the state and various other financings.

- **INTERNATIONAL TRADE ADMINISTRATION (ITA):** The International Trade Administration strengthens the competitiveness of U.S. industry, promotes trade and investment, and ensures fair trade through the rigorous enforcement of our trade laws and agreements. ITA works to improve the global business environment and helps U.S. organizations compete at home and abroad.
- **INTERGOVERNMENTAL POLICY ADVISORY COMMITTEE ON TRADE (IGPAC):** A federal advisory committee that provides the United States Trade Representative advice on matters of international trade from the perspective of state and local governments. Current members include former state senator and current Los Angeles City Councilman Curren Price and Carlos J. Valderrama of the Los Angeles Area Chamber of Commerce.
- **JOB TRAINING PARTNERSHIP ACT (JTPA):** JTPA is a federal law that authorizes and funds several employment and training programs in California. JTPA's primary purpose is to establish programs to provide job-training services for economically disadvantaged adults and youth, dislocated workers, and others who face significant employment barriers. These programs help prepare individuals in California for participation in the state's workforce, increasing their employment and earnings potential, improving their educational and occupational skills, and reducing their dependency on welfare.
- **LITTLE HOOVER COMMISSION (LHC):** The Little Hoover Commission is an independent state oversight agency created in 1962. The Commission's creation, membership, purpose, duties, and powers are enumerated in the statute. By statute, the Commission is a balanced, bipartisan board composed of five citizen members appointed by the Governor, four appointed by the Legislature, two Senators, and two Assembly Members.
- **LOAN LOSS RESERVE PROGRAM (LLR Program):** A method of providing a credit enhancement to financial institutions under which the state, lender, and borrower each contribute a set amount of funds, usually 2% to 5%

of the total loan value, into a loss reserve fund. The financial institution generally holds these funds, and multiple loans are enrolled into a single-loss reserve fund. This method allows a lender to be fully compensated in the case of a default to the extent of sufficient money in the fund.

- **LOCAL AGENCY MILITARY BASE RECOVERY AREA (LAMBRA):** A LAMBRA was an area in California designated as such by the Business, Transportation and Housing Agency. LAMBRA's were established to stimulate growth and development in the regions that experienced military base closures. Taxpayers that invested, operated, or were located within a LAMBRA may have qualified for special tax incentives. There were eight LAMBRA's: Southern California Logistics Airport, Castle Airport, Mare Island, San Bernardino International Airport, Alameda Point, Mather/McClellan, San Diego Naval Training Center, and Tustin Legacy.
- **LOCAL WORKFORCE DEVELOPMENT BOARD (LOCAL BOARDS):** There are 49 Local Boards, which are comprised of local businesses, labor, economic development, workforce training, and local governments. Local Boards oversee the delivery of workforce services within their regions. Most (85%) federal WIOA funds flow directly to Local Boards to support their work. In 2015, Local WIBS were replaced by Local Boards.
- **MANUFACTURING ENHANCEMENT AREA (MEA):** Incentives available to businesses located in an MEA are streamlined local regulatory controls, reduced local permitting fees, and eligibility to earn \$29,234 or more in state tax credits for each qualified employee hired. All manufacturing businesses in those lines of business described in Codes 2011 to 3999, inclusive of the Standard Industrial Classification (SIC), and located in the MEA are eligible for program benefits. There are 2 MEAs located in California. They are in the Cities of Brawley and Calexico. Each community is in Imperial County. A MEA designation lasts until December 31, 2012.
- **METROPOLITAN STATISTICAL AREA (MSA):** In the United States, a metropolitan statistical area is a geographical region with a relatively high population density at its core and close economic ties throughout the area.
- **MICROBUSINESS:** A small business that, together with affiliates, has annual gross receipts of less than \$3,500,000 or is a manufacturer with 25 or fewer employees.

- **NATIONAL EXPORT INITIATIVE (NEI):** In January 2010, the U.S. President launched the National Export Initiative, intending to double U.S. exports over five years. The initiative is directed through a newly established Export Promotion Cabinet and an internal Trade Promotion Coordinating Committee tasked to coordinate and align their export promotion activities, including counseling, customer matchmaking services, and financing for exporters.
- **NEW EMPLOYMENT CREDIT (NEC):** The New Employment Credit provides a tax credit for taxpayers that increases net employment at businesses located in high-poverty and high-unemployment areas of the state and the former Enterprise and LAMBRA Zones.
- **NON-SEASONAL ADJUSTMENT:** A term used to describe data series that have yet to be subjected to the seasonal adjustment process. In other words, the effects of regular or seasonal patterns have remained in the series.
- **NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS):** The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. The NAICS and SIC manuals provide code numbers for every industry. These codes are frequently used in legislation to identify industries, especially those benefiting from specific tax legislation like the Manufacturers' Investment Credit (MIC).
- **OFFICE OF THE SMALL BUSINESS ADVOCATE (OSBA):** The Office of the Small Business Advocate helps support economic growth and innovation by working to ensure that California's small businesses and entrepreneurs have the information, tools, and resources they need to plan, launch, manage and grow their businesses successfully and be resilient. The CalOSBA serves to elevate their voices in state government and to advocate on their behalf to help ensure all aspiring and current small business owners and entrepreneurs can access capital, access markets, and connect to the networks and resources they need to succeed.
- **OPPORTUNITY ZONE (OZ):** A census tract in this state designated by the United States Treasury as an Opportunity Zone, according to Sections 1400Z-1 and 1400Z-2 of the Internal Revenue Code. Federal law allows taxpayers to defer tax payments by depositing capital gains in a qualified Opportunity

Fund. The Opportunity Fund must invest funds with Opportunity Zones, comprised of low-income census tracts recommended by Governors and approved by the U.S. Treasury as meeting certain income and/or poverty requirements.

- **PROMISE ZONES (PZ):** An urban and rural geographic area designed by the federal Department of Housing and Urban Development and the U.S. Department of Agriculture. Promise Zones represent areas of high poverty, which can benefit from federal, state, and local collaboration of initiatives designed to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health, and address other priorities identified by the community. In 2018, 22 urban, rural, and tribal Promise Zones were selected through three rounds of national competition in which applicants demonstrated a consensus vision for their community and its residents, the capacity to carry it out, and a shared commitment to specific, measurable results. Tribal communities may also be designated as Promise Zones.
- **PROPERTY ASSESSED CLEAN ENERGY (PACE):** PACE Programs allow local government entities to offer sustainable energy project loans to eligible property owners. Through the creation of financing districts, property owners can finance renewable onsite generation installations and energy efficiency improvements through voluntary assessments of their property tax bills.
- **SALES AND USE TAX EXEMPTION (SUTE):** Manufacturers, researchers, and developers may qualify for partial sales and use tax exemption on certain manufacturing, research, and development equipment purchases and leases. The partial tax exemption applies to selling, purchasing, and leasing qualified tangible personal property on or after July 1, 2014, and before July 1, 2022. To receive the exemption, the business must obtain a timely exemption certificate
- **SEASONAL ADJUSTMENT:** A statistical technique that attempts to measure and remove the influences of predictable seasonal patterns to reveal how employment and unemployment change from month to month.
- **SMALL BUSINESS ADMINISTRATION (SBA):** Since its founding in 1976, the U.S. Small Business Administration has delivered approximately 20 million loans, loan guarantees, contracts, counseling sessions, and other assistance to small businesses.

- **SMALL BUSINESS DEVELOPMENT CENTERS (SBDC):** The SBDC Program provides small business owners and entrepreneurs with the tools and guidance needed to succeed in today's challenging economic climate. Each regional center offers comprehensive business guidance on business issues, including, but not limited to, business plan development, startup basics, financing, regulatory compliance, international trade, and manufacturing assistance. The U.S. Small Business Administration and local partners partially provide funding for the program.
- **SMALL BUSINESS ENTERPRISE (SBE):** A business with 100 or fewer employees and average annual gross receipts of \$14 million or less over the previous three tax years or a manufacturer with 100 or fewer employees. SBEs are eligible to receive a 5% bid preference on state contracts.
- **SMALL BUSINESS LOAN GUARANTEE PROGRAM (SBLGP):** The state Small Business Loan Guarantee Program (SBLGP) guarantees bank loans to small businesses that would otherwise not be made. A network of 11 Small Business Financial Development Corporations – working closely with small business borrowers and local community banks – issues the guarantees on behalf of the state.
- **SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS (SEDI BUSINESS):** Socially and Economically Disadvantaged Individuals (SEDI business) are priority business owners for credit enhancement and venture funds allocated to the state under the federal State Small Business Credit Initiative.
- **SPECIAL FUND FOR ECONOMIC UNCERTAINTIES:** A fund in the General Fund (a similar reserve is included in each special fund) authorized to be established by statutes and Budget Act control sections to provide for emergencies. (GC 16418)
- **STATE POINT OF CONTACT (SPOC):** Funding applications submitted to the federal government often require applicants to comply with the state's SPOC requirements. The SPOC is responsible for reviewing specific types of grants for federal funds, loans, or financial assistance.
- **STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI):** The State Small Business Credit Initiative (SSBCI) is a \$10 billion federal program that makes competitive and formula-based awards to states to support the credit

needs of small businesses, including SEDI-businesses and tiny companies (fewer than ten employees).

- **STATE TRADE AND EXPORT PROMOTION PROGRAM (STEP):** The STEP Program is a three-year pilot trade and export initiative authorized by the Small Business Jobs Act of 2010. Funded by federal grants and matching funds from the states, the STEP Program is designed to help increase the number of small businesses that are exporting and to raise the value of exports for those small businesses that are currently exporting.
- **TARGETED EMPLOYMENT AREA (TEA):** One of many options to voucher an employee, Targeted Employment Areas (TEA) allow residents of certain designated low-income areas to qualify Enterprise Zone employers for substantial hiring credits.
- **TARGETED TAX AREA (TTA):** The TTA program is like Enterprise Zones. TTA offers incentives only available to companies located in Tulare County and engaged in a trade or business within certain Standard Industrial Codes. State incentives include tax credits for sales and use taxes paid on certain machinery and machinery parts, equipment tax credits for hiring qualified employees, and a fifteen-year net operating loss carry-forward.
- **TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP):** A proposed trade agreement between the two largest economies in the world: the U.S. and the European Union. If realized, the TTIP will create a free trade zone encompassing 46% of the world's GDP.
- **TRANS-PACIFIC PARTNERSHIP (TPP):** A proposed free trade agreement that includes economies within the Pacific region. Negotiations began in 2010 and currently have 12 countries: Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S., and Vietnam.
- **UNITED STATES TRADE REPRESENTATIVE (USTR):** The USTR is an agency of more than 200 committed professionals with specialized experience in trade issues and regions of the world. The agency directly negotiates with foreign governments to create trade agreements, resolve disputes, and participate in global trade policy organizations.
- **WORKFORCE INVESTMENT ACT (WIA):** The federal Workforce Investment Act (WIA), which superseded the Job Training Partnership Act,

offers a comprehensive range of workforce development activities through statewide and local organizations. Available workforce development activities provided in local communities can benefit job seekers, laid off workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers. These activities aim to promote increased employment, job retention, earnings, and occupational skills improvement of participants.

- **WORKFORCE INNOVATION OPPORTUNITY ACT (WIOA):** WIOA is the federal law, enacted on July 22, 2014, as Public Law 113-128, which forms the basis for awarding approximately \$10 billion in federal funds to education and workforce programs administered by local workforce development boards and states.
- **WORKFORCE INVESTMENT BOARD (WIB):** The Governor has appointed a State Workforce Investment Board (WIB) consisting primarily of representatives from businesses, labor organizations, educational institutions, and community organizations. The WIB assists the Governor in designing a statewide plan and establishing appropriate program policy. In 2015, WIBs were replaced by WD.
- **ZERO-EMISSION VEHICLE (ZEV):** Zero-emission vehicles are anticipated to play an essential role in California's reaching its greenhouse gas emission reduction goals. There are two kinds of ZEVs: those that use all electric and those that are hybrids using electric and gas combustion technologies.