

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

2021-22 Session Report
including
A Summary of Legislation



Sabrina Cervantes, Chair
Dr. Steven Choi, Vice Chair

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

Office Phone: 916.319.2090

Office Fax: 916.319.2190

Committee Website: <http://ajed.assembly.ca.gov>

Mailing Address:

California State Capitol

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

Sacramento, California 95814

Office Location:

Legislative Office Building

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

*1020 N Street, Room 359
Sacramento, California 95814*

Jobs, Economic Development, and the Economy Committee Members:

Assemblymember Sabrina Cervantes, Chair
Assemblymember Steven Choi, Vice Chair*
Assemblyman Jordan Cunningham, Vice Chair*
Assemblymember Tasha Boerner Horvath*
Assemblymember Ed Chau*
Assemblymember Matt Haney*
Assemblywoman Cottie Petrie-Norris
Assemblymember James C. Ramos
Assemblymember Thurston "Smitty" Smith

*Assemblymember served on the committee for some, but not all, of the 2021-22 session

Committee Staff:

Toni Symonds, Chief Consultant
Benjamin Warheit, Committee Secretary**
Mercedes Flores, Interim Committee Secretary**
Jodi de Vries, Interim Committee Secretary**
Vanessa Orozco, Legislative Aid**
Mauricio Aguilar, Policy Intern**

**individual contributed to the work of the committee for some portion of the 2021-2022 session

Assembly Republican Caucus, Office of Policy:

Jenna Guillen, Floor Manager/Associate Consultant
Julia King, Principal Consultant

Chief Consultant
Toni Symonds

Committee Secretary
vacant

State Capitol
PO Box 942849
(916) 319-2090
FAX: (916) 319-2190

Website
ajed.assembly.ca.gov

California State Assembly
JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY



SABRINA CERVANTES, CHAIR
Assemblymember, Sixtieth District

Chair
Sabrina Cervantes

Vice-Chair
Dr. Steven Choi

Members
Matt Haney
Cottie Petrie-Norris
James Ramos
Thurston "Smitty" Smith

October 31, 2022

Dear Stakeholders and Other Interested Parties:

As Chair of the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE), I am pleased to publish the Committee's 2021-22 Session Report. Among other materials, the report includes a list and description of legislation, as well as policy issue briefings related to JEDE's jurisdiction.

Among other areas, JEDE has responsibility to oversee issues related to California's manufacturing and logistical networks, international trade and foreign investment, business incentives, business and capital formation, infrastructure, small business and disabled veteran business enterprises, regulatory reform, and workforce development.

If you have any questions or need further information, please do not hesitate to contact the JEDE Committee Office at 916.319.2090 or visit the JEDE Committee website at <http://ajed.assembly.ca.gov/>.

Sincerely,

A handwritten signature in black ink that reads "Sabrina Cervantes".

SABRINA CERVANTES
Chair
Assembly Committee on Jobs, Economic Development, and the Economy

Table of Contents

<u>Topic</u>	<u>Page</u>
Section I – A Snapshot of the California Economy.....	Page 1
Section II – Advancing a Prosperous and Inclusive Economy	Page 5
Section III – Building a Workforce for a Prosperous and Inclusive Economy.....	Page 23
Section IV – Engaging Global Markets to Support Economic Growth.....	Page 35
Section V – Enhancing Small Business Development and Operations	Page 45
Section VI – Leveraging Public Contracting for Targeted Business Development	Page 61
Section VII – Nurturing Manufacturing and Emerging Technologies.....	Page 69
Section VIII – Removing Regulatory Barriers to Economic Growth.....	Page 89
Section IX – Transitioning to a Net-Zero Economy	Page 97
Section X – JEDE Committee Hearings and Activities	Page 113

Appendices

Index of Legislation.....	Page iii
Glossary of Terms	Page xvii

Section I – A Snapshot of the California Economy

California is home to nearly 39.5 million people, providing the state with one of the most diverse populations in the world, often comprising the single largest concentration of nationals outside their native country. In 2021, this diverse group of business owners and workers produced \$3.3 trillion (current dollars) in goods and services.

Leader in Patents

California consistently *ranks first* in the nation for the number of patents filed annually – 50,496 in 2020. Texas, ranking second with 13,192 had less than a quarter of the number of patents filed during the same period, followed by New York with 10,540.

California’s economy ranked fifth largest in the world in 2019 – only the national economies of the United States, China, Japan, and Germany being larger. Historically, a number of factors have contributed to California's significant position within the global marketplace, including its strategic west coast location, its economically diverse regional economies, its skilled workforce, and its culture of innovation and entrepreneurship, particularly in the area of technology. California has the largest workforce in the nation, comprised of 19.3 million people who are comparatively younger and more educated than the national average. As an example, over 30% of the working-age population in California holds at least a bachelor's degree.

Many policymakers and economists describe California as having not a single economy but a highly integrated network of industry clusters that provide access points to other areas of the US and across the world. While biotech has a comparative advantage in some regions, information technology drives growth in others.

Supporting this economic vitality are over 130 US Fortune 500 companies with California headquarters, as well as the state's robust small business sector, which employs half of all workers and is comprised of more than 99% of all businesses and employ 48% of workers in the state.

Major Industry Sectors

One of the unique qualities of California's economy is its multiple dominant industry sectors. *Chart 1 – California GDP by Industry Sectors*, displays state gross domestic product (GDP) in dollars by industry sector.

The state's three largest industry sectors in terms of GDP – finance and insurance; trade, transportation, and utilities; and professional and business services – also provide a foundation for other industry sectors, including manufacturing and information. Each of these top-performing industry sectors are also distinguished as being a tradable industry sector, meaning that it is a sector whose output in terms of goods and services is traded internationally, or could be traded internationally given a plausible variation in relative prices.

In 2021, California's largest industry sector was finance, insurance, real estate, rental, and leasing (20.9% of state GDP from the private sector). Other top industry sectors based on economic value include trade, transportation, and utilities (16.7%); professional and business services (15.7%); manufacturing (13.8%); and information (12.3%).

Chart 1 - California 2021 GDP by Industry

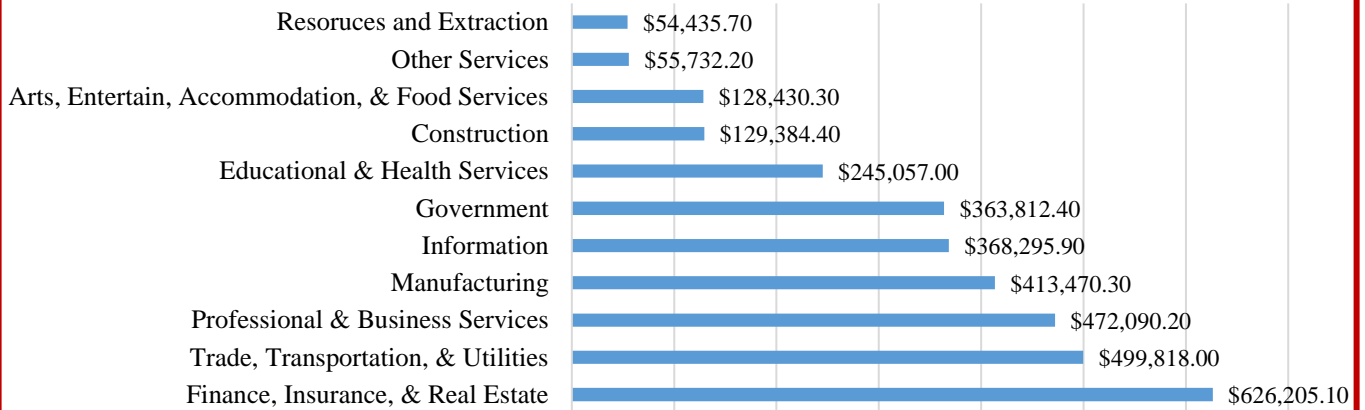
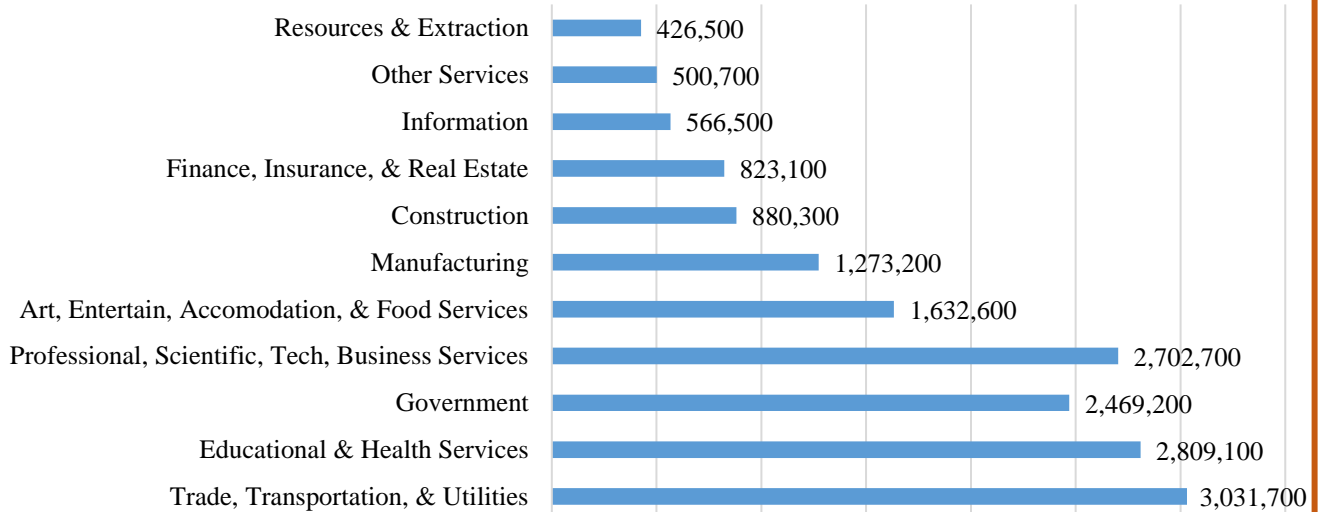


Chart 1 displays industry sectors in California based on their contribution to GDP. Due to its economic impact exceeding its proportional share of the US population, California’s economy has been described as “hitting above its weight.” As an example, while California’s population comprises 12% of the US population, the state contributed 16% of total job growth between 2012 and 2017.

Second quarter 2022 GDP data showed a 3.4% increase over the fourth quarter in 2019, which is substantially similar to GDP growth in the US (3.5%), based on seasonal adjusted annualized data.

During the COVID-19 pandemic, California’s employment recovery outpaced the nation, in general, and consistently represented over 20% of all new jobs each month. **Chart 2** shows employment data within the same industry sectors as displayed in Chart 1.

Chart 2 – CA Employment by Industry Sectors, 2021



California's largest industry sector, based on employment, is the trade, transportation, and utility sector, employing 3.0 million people and representing 17.7% of all California jobs. Jobs in this sector also support employment in other industry sectors, including manufacturing, professional services, and financial activities.

Job Growth

The Employment Development Department estimates that between 2018 and 2028, total civilian employment (including self-employment, farm employment, and private household workers) will reach 20.4 million, an increase of 1.6 million jobs (8.4%) over the 10-year projected period of 2018-2028 in California. *Chart 3 – Projected Job Growth in Employment* displays data on civilian employment for 2018-2028, including new and replacement jobs.

Chart 3 – Projected Job Growth in Employment, 2018-2028 <i>(ranked by numerical increase in jobs and including new and replacement jobs)</i>							
	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
1	Educational Services, Health Care, and Social Assistance	19.3%	524,600	7	Government	3.0%	78,500
2	Professional and Business Services	10.1%	270,400	8	Other Services (excludes private household services)	5.2%	29,800
3	Leisure and Hospitality	13.0%	258,200	9	Financial Activities	3.0%	25,300
4	Trade, Transportation, and Utilities	5.2%	158,400	10	Total Farm	2.3%	9,600
5	Information	15.6%	85,000	11	Mining	-5.9%	-1,300
6	Construction	9.8%	84,400	12	Manufacturing	-1.7%	-22,000
<i>Source:</i> EDD, https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html Accessed 9/23/21							

A significant portion of this projected growth, however, is dependent on the economic performance of industry sectors which are highly dependent on consumers and supply chains outside of the state. California was the 36th largest exporter in the world and the 19th largest importer in the world in 2020.

With 95% of global purchasing power lying outside the US, having a globally integrated economy provides California with a comparative advantage. Extended trade disputes, as well as the trade barriers which are the source of those disputes, create impediments to growth and uncertainty for businesses that may be considering expansion and significant new capital investments.

Organization of the Report

In the following sections, the report will provide more detailed information, including summaries of legislation and informational hearings. These sections include:

- Section II – Advancing a Prosperous and Inclusive Economy

- Section III – Building a Workforce for a Prosperous and Inclusive Economy
- Section IV – Engaging Global Markets to Support Economic Growth
- Section V – Enhancing Small Business Development and Operations
- Section VI – Leveraging Public Contracting for Targeted Business Development
- Section VII – Nurturing Manufacturing and Emerging Technologies
- Section VIII – Removing Regulatory Barriers to Economic Growth
- Section IX – Transitioning to a Net-Zero Economy
- Section X – JEDE Committee Hearings and Activities

The Appendix of the 2021-222 Session Report includes a chart listing all the bills identified within the report, as well as a glossary of terms most commonly used in bill analyses and reports prepared by the committee.

Section II – Advancing a Prosperous and Inclusive Economy

While California’s dominance in innovation-based industries is unquestionable, the divide between middle- and lower-income households and top-income earners is accelerating. Even when California’s unemployment rate was at historic lows pre-pandemic, unemployment within certain geographic regions and population groups remained significantly higher, as did the number of people in the state who were not participating in the core economy.

The coronavirus has deepened California’s income inequality, with the state’s most vulnerable being at the greatest risk for poor health outcomes, having the least amount of savings to survive its economic impacts, and being most likely to work in low-paid and least protected essential businesses.

A closer look at disaggregated employment data reveals a bifurcated economic recovery. In March 2020, California reported an unemployment rate of 5.1% compared to the US rate of 4.5%. From the employment side, this represents 18.1 million people in California, with 82.5% being employed in full-time work (*based on a 12-month moving average*). During this same period, three of California’s 58 counties had unemployment, below 3.0%, with San Mateo County reporting the lowest at 2.5% (*based on not seasonally adjusted data*). Colusa County (21.4%) was reported as having the highest unemployment rate among counties in March 2020.

Two years later (March 2022), statewide unemployment is 4.9%, just slightly lower than 5.1% as reported in March 2020. As noted in the prior comment, employment by industry sector is up in every sector, and three of the 11 sectors having recovered all jobs. However, the disparities have grown. **Chart 4 – Selected Data on Unemployment** shows geographic and demographic unemployment-related information for the year the World Health Organization announced that the COVID-19 was a global pandemic and the following two years.

Chart 4 - Selected Data on Unemployment (March 2020, 2021, and 2022)							
Unemployment Rate (Not Seasonally Adjusted)				Unemployment Rate (Not Seasonally Adjusted) (12 month moving average)			
	March 2020	March 2021	March 2022		March 2020	March 2021	March 2022
California (comparable rate)	5.1%	8.2%	4.2%	California (comparable rate)	4.1%	11.1%	6.3%
Colusa County	21.4%	15.4%	12.5%	Blacks	5.2%	13.9%	10.5%
Imperial County	20.4%	15.7%	12.3%	Hispanics	4.7%	12.5%	6.9%
Los Angeles County	5.6%	10.9%	4.9%	Whites	4.0%	10.8%	5.9%
Orange County	4.19%	7.0%	3.1%	16 to 19 years old	15.1%	24.5%	13.6%
Riverside County	4.7%	7.7%	4.3%	20 to 24 years old	7.6%	17.5%	10.1%
Sacramento County	4.3%	7.4%	4.0%	25 to 34 years old	4.1%	11.7%	6.1%
San Bernardino County	4.4%	7.8%	4.3%	*The Employment Development Department reports a March 2021 (12-month moving average) Labor			
San Francisco City & County	3.5%	6%	2.5%				

San Mateo County	2.5%	5.0%	2.3%	Participation Rate (LPR) of 61.8%. The LPR for veterans is 43.2% vs nonveterans LPR of 64.6%.
Tulare County	13.2%	11.6%	8.4%	
Source: www.edd.ca.gov				

As illustrated in *Chart 4*, the disparities among population groups continued, and, in most cases, increased for certain areas of the state and individuals from certain demographics. For example, unemployment among Blacks in March 2020 was at a historic low of 5.2%, which was still above the state average of 4.1%. However, one year into COVID-19, the disparity between the rate of Black unemployment and the statewide rate substantially increased (13.9% compared to 11.1%). Two years after the beginning of the pandemic, the unemployment rate for Blacks is reported as 10.5% versus 6.3% for the workforce as a whole. From the beginning of the pandemic to March 2022, the disparity between the unemployment rate for Blacks has grown from 1.1% in March 2020 to 2.8% in March 2021 to 4.2% in March 2022.

The unemployment rate for September 2022 displayed similar disparities among certain regions and population groups when compared to overall state data. While the overall state unemployment rate was 3.9% (down 38.8% from September 2021 and 472,000 more jobs), unemployment in San Mateo County was reported as 1.9% and 16.0% in Imperial County. For Blacks living in California, the unemployment rate was 7.7%, with a comparable statewide rate of 4.5%

These disparities in current and previous unemployment rates are driven by a range of poor economic and societal conditions, which, in turn, lead to other conditions that further intensify these disparities, including, but not limited to, incomplete educational attainment, economic insecurity, poor health outcomes, negative engagements with law enforcement, and lack of a safety net for the elderly and individuals with special needs. COVID-19 magnified these effects, further putting strains on already struggling low-wage workers, particularly in the Black and Latinx communities.

Income Inequality

California is not unique in experiencing these higher levels of income inequality, while the state’s overall economic growth is very healthy. National data shows similar patterns across the US. While the top 1% of income households were significantly impacted by the Great Recession, by 2017, their annual revenues had recovered and risen to the highest levels ever recorded. Between 1979 and 2017, the income for the top 1% of income households cumulatively rose by 157%.

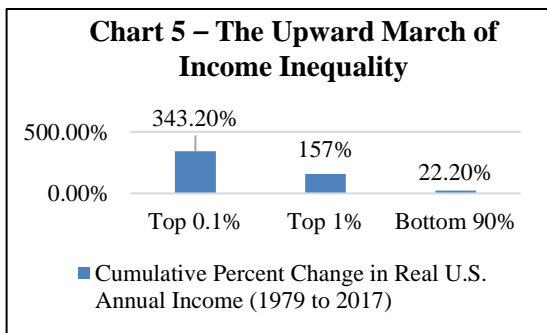


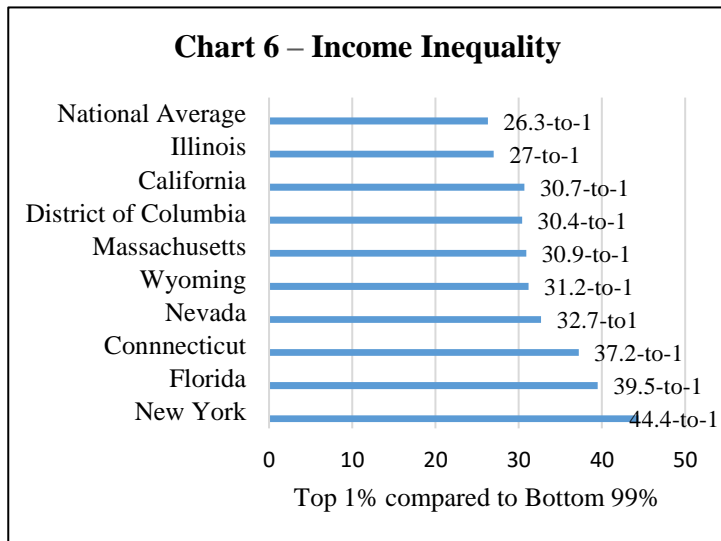
Chart 5 – The Upward March of Income Inequality is based on data from *Working Economies*, a blog of the Economic Policy Institute, and shows the significant divergent increases in income between three groups during the period of 1979 through 2017.

For the top 0.1% of income households, earnings had increased by 343.2%, as compared to the earnings of the bottom 90% of households, which experienced an increase of only 22.2%.

The Economic Policy Institute also studied income inequality by state and major metropolitan area. Based on 2015 data, every state had a sizable income gap between the top 1% and the bottom 99%, with the national average being a top-to-bottom ratio of 26.3-to-1. In eight states, plus the District of Columbia (30.4-to-1), the top-to-bottom ratio exceeded the national average, including California, which presented a 30.7-to-1 ratio.

Chart 6 – Income Inequality displays the state data for those states with above-national average income inequality. These income discrepancies were also reported by metropolitan areas, where 45 of the 916 major metropolitan areas in the US had income gaps wider than the national average.

In order to qualify as a top 1% household in 2015, family income needed to be above \$421,926. There were 13 states and 107 metro areas in the US with 1% household incomes above the national average, averaging a 1% household income of \$514,694. Further, of all income that accrued to 1% of households in 2015, a full 50% accrued to households in five states, including California.



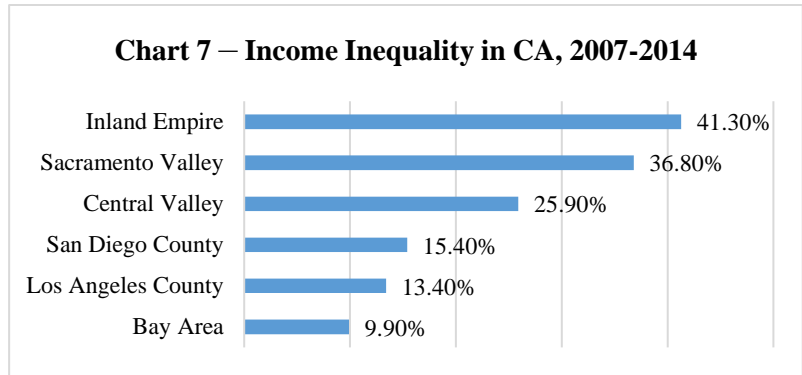
The average annual income in California for a top 1% household was \$1.69 million. The top 1% took home 23.7% of all income in California. By comparison, the average income for the other 99% of households in California was \$55,152. The San Jose-Santa Clara metro area had the most unequal income distribution in the state, with the top 1% making 34.6 times the income of the bottom 99%. Overall, California ranks 7th among all 50 states in income inequality.

Most significantly, this trend of increasing wealth concentrations among the top income households is a relatively new phenomenon. According to the report *The New Gilded Age* by the Economic Policy Institute, from 1928 to 1973, the share of income held by the top 1% actually declined in every state for which data was available. This is perhaps one of the reasons many of the existing public policy tools have been ineffective in addressing the rise in income inequality among different regions and groups of individuals. As a result, new tools may be needed for new times.

What Happened to the California Dream?

The impact of the expanding income inequality is being felt broadly across our society. The ability to get an education, pursue a career, purchase a home, and live-out old age with some level of economic security is being challenged. While median income remains above \$75,000 a year, 4.9 million people in California have incomes below the federal poverty line, which includes the household incomes of 17.4% of all children. For too many people, a large medical bill or an unforeseen home repair could result in a downward spiral potentially ending in homelessness.

In 2016, McKinsey & Company issued a study that found that household incomes had actually decreased for the first time since World War II – across the top 25 most developed economies in the world. -Historically, every generation has experienced an increase in income. However, between 2005 and 2014, real incomes were flat or fell for 65% to 70% of households.



The Public Policy Institute of California published data for a similar time span for households in California. **Chart 7 – Income Inequality in California**, on the following page, shows the growing income inequality within six major regions in the state. Between 2007 and 2014, the income gap grew most significantly in the Inland Empire, followed by the Sacramento Region.

The most recent data show that this trend continued through 2018, according to the Public Policy Institute. While the average income for individuals in the top 5% rose by \$79,500 between 2006 and 2018 and median income rose by \$4,500, the inflation-adjusted household income in the lowest 20% of income was down -\$879 over the same period. Median annual earnings for all workers in California in 2018 rose less than 1% (0.9%).

Legislation from 2021-22 Session

In addressing the economic impacts of the COVID-19 pandemic, the Legislature recognized the unequal impact of the pandemic on women and people of color. Some actions focused on the needs of California’s lowest-income residents, while others addressed the loss of the middle class. Among other issues, Governor Newsom and the Legislature used new federal funding, as well as state funds, to mitigate impacts and improve the quality of life for all Californians.

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to improving the state’s economic development activities, including legislation related to creating a more inclusive economy. Legislation not heard by JEDE is marked with asterisks (**). This is the most general designation category, which provides information on tax expenditures and other economic development programs and services.

Other sections of the report provide more targeted information with a list of related legislation, including sections on small business, trade and foreign investment, infrastructure, workforce development, and manufacturing. Information on hearings held by the committee is available in **Section X**.

AB 14 (Aguiar-Curry) Broadband Service to Underserved Areas:** This bill extends the California Advanced Services Fund program to encourage the deployment of broadband service to unserved Californians, and revising the surcharge collection methodology for interconnected Voice over Internet Protocol service and the Deaf and Disabled Telecommunications Program. Status: Signed by the Governor, Chapter 658, Statutes of 2021.

AB 41 (Wood) Broadband Infrastructure Deployment**: This bill requires the Department of Transportation to ensure that the construction of certain projects located in priority areas includes the installation of conduits capable of supporting fiber optic communication cables. Status: Signed by the Governor, Chapter 659, Statutes of 2021.

AB 106 (Salas) Regions Rise Grant Program: This bill would have established the Regions Rise Grant Program, administered by the Governor's Office of Planning and Research, for the purpose of supporting inclusive, cross-jurisdictional, and innovative processes that lead to inclusive strategies to address barriers and challenges confronting communities in creating economic prosperity for all. While not enacted, the bill was used as the model for the Community Economic Resiliency Fund Program. Status: Died without further action in the Senate Committee on Business, Professions and Economic Development, 2022.

AB 176 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of economic development appropriations in the 2022-23 Budget, including, but not limited to, the California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Competes Grant Program, and the motion picture film credit. Status: Signed by the Governor, Chapter 256, Statutes of 2022.

AB 194 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of tax provisions reflected in the 2022-23 Budget, including, but not limited to the Main Street Tax Credit. Status: Signed by the Governor, Chapter 55, Statutes of 2022.

AB 218 (Ward) Change of Gender and Sex Identifier**: This bill requires the development of a process for a petitioner seeking a change of gender to also request that their marriage license and certificate and their children's birth certificates be reissued with updated information about the petitioner. Status: Signed by the Governor, Chapter 577, Statutes of 2021.

AB 245 (Chiu) Educational Equity**: This bill requires a campus of the University of California, California State University, or California Community Colleges to update a former student's records to include the student's updated legal name or gender if the institution receives government-issued documentation from the student demonstrating that the former student's legal name or gender has been changed. Status: Signed by the Governor, Chapter 555, Statutes of 2021.

AB 292 (Stone) Corrections Rehabilitative Programming**: This bill requires the Department of Corrections and Rehabilitation to conduct rehabilitative programming in a manner that meets specified requirements, such as prioritizing a person who has transferred between facilities to resume rehabilitative programming, if the transfer was for nonadverse reasons, minimizing program wait times, and offering a variety of program opportunities to inmates regardless of security level or sentence length. Status: Signed by the Governor, Chapter 579, Statutes of 2021.

AB 543 (Davies) Student Orientation and CalFresh**: This bill requires campuses of the California Community Colleges and the California State University Board of Trustees, and requests the University of California Board of Regents, to provide all incoming students with educational

information regarding the CalFresh program, including the eligibility requirements, during campus orientation. Status: Signed by the Governor, Chapter 561, Statutes of 2021.

AB 628 (E. Garcia) Breaking Barriers to Employment Initiative: This bill modifies the provisions of the Breaking Barriers to Employment Initiative (BBEI), administered by the California Workforce Development Board, in order to expand the purpose of the BBEI to include efforts for the retention of employees as well as efforts that enhance racial and economic justice. This bill would also revise and expand the BBEI's grant application requirements, evaluation criteria, list of eligible populations which the BBEI can serve, and eligible activities which the BBEI grants can fund. The 2021-22 Budget includes a \$30 million appropriation for the BBEI. Status: Signed by the Governor, Chapter 323, Statutes of 2021.

AB 630 (Arambula) Online Jobs and Economic Support Resource Grant Program: This bill would have established the Online Jobs and Economic Support Resource Grant Program for the purpose of providing competitively awarded grants to eligible applicants to support new or existing online jobs resource platforms targeted toward low-income communities. The new grant program would have been administrated through the Governor's Office of Business and Economic Development, subject to sufficient funds being appropriated. Eligible applicants would have included nonprofits, cooperatives, public benefit corporations, and local governments. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 680 (Burke) California Jobs Plan Act of 2021: This bill enacts the California Jobs Plan Act of 2021, which requires the California Workforce Development Board to work with the Labor Agency to update, by July 1, 2025, Greenhouse Gas Reduction Fund (GGRF) funding guidelines to ensure that all applicants to GGRF-funded grant programs meet certain standards. Among other requirements, the updated guidelines are required to include fair and responsible employer standards, inclusive procurement policies, and preferences to applicants that demonstrate a partnership with an educational institution or training program targeting residents of under-resourced, tribal, and low-income communities, as defined, in the same region as the proposed project and to applicants that demonstrate the creation of high-quality jobs, as defined. Status: Signed by the Governor, Chapter 746, Statutes of 2021.

AB 844 (Grayson) Green Empowerment Zone: This bill establishes the Green Empowerment Zone for the Northern Waterfront area of the County of Contra Costa for the purpose of building upon the comparative advantage provided by the regional concentration of highly-skilled energy industry workers by prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private sector investment in the renewable energy sector. Status: Signed by the Governor, Chapter 377, Statutes of 2021.

AB 914 (Weber) CSU Proficiency Level of Entering Students**: This bill makes changes to the requirements of a previously mandated report of the California State University Chancellor's Office by extending the annual report deadline by two months, eliminating a specified related interim report, and requiring the report to include additional information relating to freshmen student placement in CSU courses. Status: Signed by the Governor, Chapter 564, Statutes of 2021.

AB 915 (Chiu and Holden) Diversity in Small Business Contracting: This bill would have codified a 25% small business goal for state procurement and proposed a number of actions to enhance the ability and commitment of state agencies to include small businesses, disadvantaged business enterprises, and disabled veteran business enterprises in state contracting. Status: Held under Submission in the Senate Committee on Appropriations, 2021.

AB 927 (Medina) Statewide Baccalaureate Degree through CCCs**: This bill authorizes the Board of Governors of the California Community Colleges to transform the statewide baccalaureate degree pilot program into a permanent program. Status: Signed by the Governor, Chapter 565, Statutes of 2021.

AB 928 (Berman) Student Transfer Achievement Reform Act of 2021**: This bill requires the California State University and University of California to jointly establish a singular lower division general education pathway for transfer admission into both segments. The bill further requires the California Community Colleges to place students who declare a goal of transfer on an Associate Degree for Transfer pathway for their intended major. Status: Signed by the Governor, Chapter 566, Statutes of 2021.

AB 1001 (Cristina Garcia) Air Quality Impacts and Environmental Justice**: This bill would have modified California Environmental Quality Act (CEQA) to, among other things, (a) require direct mitigation to affected communities to compensate for adverse air or water quality impacts and (b) require all public agencies implementing CEQA to give consideration to the principles of environmental justice by ensuring the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins. Status: Died without further action in the Senate Committee on Environmental Quality, 2022.

AB 1002 (Choi) Course Credit for Prior Military Training**: This bill requires the California State University Chancellor's Office, in collaboration with the CSU Academic Senate, and requests the University of California, by September 1, 2022, to develop a consistent policy for awarding course credit for prior military education, training, and service, as specified. Status: Signed by the Governor, Chapter 567, Statutes of 2021.

AB 1009 (Bloom) Farm to Community Food Hub Program**: This bill establishes the Farm to Community Food Hub Program to incentivize the creation of food hubs that help local and regional farms distribute their products to public institutions and nonprofits in the area. Status: Signed by the Governor, Chapter 608, Statutes of 2021.

AB 1015 (Rubio) Nursing Programs and Clinical Placements**: This bill requires the Board of Registered Nursing to incorporate regional forecasts into its biennial analyses of the nursing workforce, including data on the number of clinical placement slots that are available throughout the state. In addition, the bill requires the board to develop a plan to address regional shortages of nurses, as identified in the forecast. Status: Signed by the Governor, Chapter 591, Statutes of 2021.

AB 1056 (Grayson) Industrial Housing: This bill would have required the IBank, in coordination with GO-Biz, to develop a program to invest in the building of offsite industrialized housing in order to meet the state's policy goal of increasing the state's capacity to quickly respond to additional housing

needs precipitated by homelessness, wildfires, COVID-19, or other emergency situations. Status: Died without further action in the Assembly Committee on Housing and Community Development, 2022.

AB 1072 (Reyes) Small Business and DVBE Procurement Opportunities: This bill would have reinforced the ability of the DGS Office of Small Business and DVBE Services to work with awarding departments on certification of small businesses and DVBEs and targeted outreach for upcoming disaster-related contracts. The bill also creates a more decisive programmatic relationship between the state's small business procurement advocates and the statewide network of 80+ small business technical assistance centers which participate in the Small Business Technical Assistance Enhancement Program. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 1106 (Cervantes and Reyes) Small Business Workforce Development: This bill would have established a pilot project through the Employment Training Panel for the purpose of enhancing the ability of a regionally-focused statewide business training center network to work hand-in-hand with business leaders, small business service providers, as well as other workforce partners, to get people back to work. The 2021-22 state budget included a \$15 million appropriation that aligns with this request. Status: Held under Submission in the Senate Committee on Appropriations, 2021.

AB 1113 (Medina) Exemption from Tuition and Fees**: This bill establishes a tuition and fee waiver at campuses of the California Community Colleges, the California State University, and the University of California for spouses and dependents of doctors, nurses, and first responders who died from COVID-19 during the California COVID-19 pandemic state of emergency and were either employed or contracted to provide medical services during the COVID-19 pandemic, qualifying survivors of persons providing medical or emergency services deceased during COVID-19 California state of emergency. Status: Signed by the Governor, Chapter 569, Statutes of 2021.

AB 1146 (Cervantes) Small Business Rent Relief: This bill would have authorized the establishment of the California Rent Forgiveness and Tax Relief Program for the purpose of providing grants to qualified counties to implement local rent forgiveness and tax relief programs. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

AB 1171 (Arambula) San Joaquin Valley Partnership: As passed by JEDE, this bill would have codified the San Joaquin Valley Partnership, a public/private partnership established for the purpose of supporting regional collaboration among individuals and public and private entities committed to improving the quality of life in the San Joaquin Valley. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 626, Statutes of 2021.

AB 1287 (Bauer-Kahan) Pink Tax**: This bill prohibits substantially similar products marketed to different genders from being priced differently. Status: Signed by the Governor, Chapter 555, Statutes of 2022.

AB 1297 (Holden) Housing Finance: This bill expands the financing authority of the IBank to include housing projects under limited and specific conditions. This new authority would apply to

economic development facilities and public development facilities financed through any of the IBank's financing programs or authorities. More specifically, the bill:

- Requires that the housing be necessary for the operation of the financed project.
- Requires housing projects to be incidental to the overall project and the cost of the housing component shall not represent more than 20% of the overall project costs financed by the IBank.
- Excludes the use of tax-exempt bonds issued by the IBank, which are subject to a state allocation of private activity bond cap, or any moneys from the Infrastructure State Revolving Fund Program from being used to finance any housing component of an economic development or public development facility.

Status: Signed by the Governor, Chapter 356, Statutes of 2021.

AB 1326 (Arambula) County Social Service Liaisons for Higher Education**: This bill requires a county human services agency to designate at least one employee as a staff liaison to serve as a contact for academic counselors and other specified professionals at a college or university campus in order to provide information on available public social services, as specified. Status: Signed by the Governor, Chapter 570, Statutes of 2021.

AB 1447 (Cooley) Rural Infrastructure Development: This bill would have established the Rural California Infrastructure Act for the purpose of awarding \$1 billion in grants to local agencies for rural infrastructure projects, including fairground maintenance, disaster preparedness, highway or street maintenance or repair, and historic or cultural preservation or repair. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1571 (JEDE) Small Business Regulatory Relief: This bill would have delivered regulatory relief to small businesses during a state of emergency by either exempting them from compliance until after the state of emergency or, in the case the regulation is necessary to address the emergency or a serious and immediate health and safety issue, providing small businesses with sufficient time to learn about and implement the new regulation. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1572 (JEDE) New Market Tax Credit: This bill would have established a state New Market Tax Credit to assist community development entities in raising capital to invest in small businesses in low-income communities. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

AB 1573 (JEDE) Small Business Retention Program: This bill would have established a supplemental grant program within the Small Business Technical Assistance Expansion Program for the purpose of supporting local small business retention programs. Status: Vetoed by the Governor, 2022. The veto message states: "*Small businesses are critical drivers of California's economic growth and building wealth in communities. That is why the 2022-23 State Budget invests an additional \$6 million this year and \$26 million ongoing to permanently extend SB TAP. The budget also provides \$20 million to expand the number of innovation Hubs and \$8 million to support Women's Business Centers. These investments reflect the shared commitment of my administration and the Legislature to invest in small businesses. However, this bill creates a new supplemental grant program not accommodated for in the budget.*"

"With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. The Legislature sent measurers with potential costs of well over \$20 billion in one-time spending and more than \$10 billion in ongoing commitments not accounted for in the Budget Act. Creating new grant programs and expanding eligibility of existing programs should be considered and accounted for as part of the annual budget process."

AB 1574 (JEDE) Leveraging State Procurement for an Inclusive Economic Recovery Act of 2021: This bill makes various changes to California's certified small and microbusiness, Disabled Veteran Business Enterprise (DVBE), and Target Area Contract Preference Act (TACPA) programs, including enhancing the promotion of procurement programs, authorizing specified public entities to bring civil action for a violation involving a knowingly fraudulent representation, and expanding and clarifying the TACPA. Status: Signed by the Governor, Chapter 756, Statutes of 2021.

AB 1640 (Ward) Regional Climate Networks**: This bill would have authorized the formation of regional climate networks, the development of regional climate adaptation and resilience action plans, and engagement in certain activities to address climate change, as specified. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 1644 (Flora) Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021**: This bill, an urgency measure, exempts certain forest health and fire prevention projects funded by the Greenhouse Gas Reduction Fund from certain standards required by the California Jobs Plan Act of 2021, including fair and responsible employer standards and inclusive procurement policies. Status: Signed by the Governor, Chapter 202, Statutes of 2022.

AB 1854 (Boerner Horvath) Unemployment Insurance and Work Sharing Plans**: This bill authorizes the use of electronic signatures on all work sharing plan documents and removes the sunset on the use of the electronic portal for submitting documents. Status: Signed by the Governor, Chapter 112, Statutes of 2022.

AB 2003 (Mike Fong) Model Career Pathways**: This bill would have required the California Workforce Development Board to identify existing and facilitate the development of new career pathway models that build upon the basic skill sets of workers who are employed in essential worker occupations to support their career advancement into high road occupations, as specified. Status: Vetoed by the Governor, 2022. The veto message states: *"I appreciate the author's intent to provide on-ramps to high road careers for California's essential workers, but this bill does not align with California's high road model for workforce development and is duplicative of ongoing state-funded initiatives to prioritize dislocated and essential workers facing barriers to employment, including \$115 million to establish, expand and improve High Roads Training Partnerships (H RTP). This bill would require CWDB to duplicate efforts in at least 10 of the 13 industry sectors that receive H RTP funding. Policies in this space should complement ongoing state efforts to prioritize and assist workers facing barriers to employment."*

AB 2019 (Petrie-Norris) Small and Disadvantaged Business Enterprises: This bill codifies a 25% small business goal for state procurement and proposes a number of actions to enhance the ability and

commitment of state agencies to include diverse business owners in state procurement opportunities. Status: Signed by the Governor, Chapter 730, Statutes of 2022.

AB 2046 (Medina) University of California: Inland Rising Fund:** This bill requires certain moneys appropriated by the Legislature during 2022–23 to 2024–25, inclusive, to directly support campus expansion projects or University of California climate initiatives, or both, at the University of California, Riverside, and the University of California, Merced, as specified. In addition, the bill declares that all uses of these funds are determined to be public works and places certain wage and workforce requirements on these projects. Status: Signed by the Governor, Chapter 526, Statutes of 2022.

AB 2269 (Grayson) Digital Financial Asset Business Regulation:** This bill would have established a licensing and regulatory framework, administered by the Department of Financial Protection and Innovation, for digital financial asset activity. Status: Vetoed by the Governor, 2022. The veto message states: *“Digital assets are becoming increasingly popular in our financial ecosystem, with more consumers buying and selling cryptocurrencies each year. I share the author's intent to protect Californians from potential financial harm while providing clear rules for crypto-businesses operating in this state.*

“On May 4, 2022, I issued Executive Order N-9-22 to position California as the first state to establish a transparent regulatory environment that both fosters responsible innovation, and protects consumers who use digital asset financial services and products - all within the context of a rapidly evolving federal regulatory picture. Over the last several months, my Administration has conducted extensive research and outreach to gather input on approaches that balance the benefits and risk to consumers, harmonize with federal rules, and incorporate California values such as equity, inclusivity, and environmental protection.

“It is premature to lock a licensing structure in statute without considering both this work and forthcoming federal actions. A more flexible approach is needed to ensure regulatory oversight can keep up with rapidly evolving technology and use cases, and is tailored with the proper tools to address trends and mitigate consumer harm. Additionally, standing up a new regulatory program is a costly undertaking, and this bill would require a loan from the general fund in the tens of millions of dollars for the first several years. Such a significant commitment of general fund resources should be considered and accounted for in the annual budget process.

“I am committed to working collaboratively with the Legislature to achieve the appropriate regulatory clarity once federal regulations come into sharper focus for digital financial assets, while ensuring California remains a competitive place for companies to invest and innovate.”

AB 2284 (Gabriel) Pupil Instruction and Digital Literacy:** This bill, subject to appropriation, requires the Superintendent of Public Instruction to allocate funding for the purchase of standards-aligned instructional materials in media literacy and digital literacy, as defined, and for professional development in that content. Status: Held under Submission in the Suspense File of the Senate Committee on Appropriations, 2022.

AB 2314 (Petrie-Norris) Predatory Lending and SSBCI Programs: This bill would have established a task force to review and the state’s administration of the Small Business Loan Guarantee Program

and the California Capital Access Program make recommendations related to specified fair lending practices. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2342 (Cervantes) Community Economic Resilience Fund Program: This bill updates the \$600 million California Economic Resilience Fund Program to reflect best economic development practices and provide statutory assurances of inclusive regional community development plans. Status: Signed by the Governor, Chapter 568, Statutes of 2022.

AB 2419 (Bryan) Justice40 Advisory Committee**: This bill would have required, consistent with a federal executive order, a minimum of 40% of funds received by the state under the Infrastructure Investment and Jobs Act and certain other federal funds to be allocated to projects that provide direct benefits to disadvantaged communities, as defined, and a minimum of an additional 10% be allocated for projects that provide direct benefits to low-income households and low-income communities, as provided. The bill would have required state agencies administering those federal funds to perform specified tasks related to the expenditure of those federal funds. The bill would have also established the Justice40 Advisory Committee in the Strategic Growth Council, as specified, to perform various actions related to the expenditure of those federal funds. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2433 (Grayson) Predatory Lending: This bill clarifies the authority of the Department of Financial Protection and Innovation to bring actions against a financial institution whether the violation is ongoing or has ceased. Status: Signed by the Governor, Chapter 188, Statutes of 2022.

AB 2508 (Quirk-Silva) Pupil Services and Educational Counseling**: This bill urges the governing board of a school district to provide access to a comprehensive educational counseling program for all pupils enrolled in the school district and requires educational counseling to include certain postsecondary services. The bill also revises and recasts the Legislative intent provision on the services of school counselors and revises the definition of “educational counseling” for these purposes. Status: Signed by the Governor, Chapter 153, Statutes of 2022.

AB 2847 (Eduardo Garcia) Unemployment and the Excluded Workers Pilot Program**: This bill would have established, until January 1, 2026, the Excluded Workers Pilot Program, for the purpose of providing income assistance to excluded workers who are ineligible for the existing state or federal benefits, as specified. The bill would have provided \$300 per week for each week of unemployment for eligible workers, as determined by the Employment Development Department. Status: Vetoed by the Governor, 2022. The veto message states: *“California has taken critical actions to support inclusion and opportunity for undocumented immigrants and mixed status families. Just this year, California made historic investments to ensure more undocumented Californians have access to health care, food assistance, and to provide inflation relief regardless of immigration status. As we continue forward, this bill needs further work to address the operational issues and fiscal concerns, including a dedicated funding source for benefits.*

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is also important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.”

AB 2849 (Mia Bonta) The Promote Ownership by Workers for Economic Recovery Act**: This bill enacts the Promote Ownership by Workers for Economic Recovery Act, which establishes a panel to conduct a study regarding the creation of an Association of Cooperative Labor Contractors for the purpose of facilitating the growth of democratically run high-road cooperative labor contractors, as specified. The bill requires the panel to complete the study and make it publicly available on the internet by June 30, 2024. Status: Signed by the Governor, Chapter 808, Statutes of 2022.

AB 2873 (Jones-Sawyer) Supplier and Contractor Diversity: Requires certain housing sponsors who receive a Low Income Housing Tax Credit allocation on or after January 1, 2024 to annually report on the diversity of the suppliers and contractors, as specified. Status: Signed by the Governor, Chapter 316, Statutes of 2022.

AB 2878 (Aguiar-Curry) Forest Biomass Waste Utilization Program**: This bill would have established the Forest Waste Biomass Utilization Program to undertake three activities in collaboration and coordination with certain specified state entities:

- 1) Develop an implementation plan to meet the goals and recommendations of the Forest Biomass Waste Utilization Plan.
- 2) A comprehensive framework to align the state’s wood utilization policies and priorities and the focused market strategy required by the Wildfire and Forest Resilience Action Plan.
- 3) A workforce training program that will complement the workforce needs associated with implementation of the biomass utilization program. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2972 (JEDE) California Business Investment Services (CalBIS): This bill expands the role of CalBIS to include working with public and private investors who may want to make business investments in California. The bill also adds economic developer and workforce training partners to the list of local and regional groups that GO-Biz and CalBIS engage when helping businesses and investments grow and be successful in California. Status: Signed by the Governor, Chapter 599, Statutes of 2022.

AB 2974 (JEDE) Federal Infrastructure Funding and CA Small Businesses: This bill establishes a 25% small business participation goal in all contracts financed, in whole or in part, with specified funding in the Federal Infrastructure Investment and Jobs Act (IIJA). Departments may waive this requirement in cases where the federal law precludes small business participation or if compliance with these requirements would make the state’s application for a competitive program less competitive than other eligible applicants. Status: Signed by the Governor, Chapter 600, Statutes of 2022.

SB 17 (Pan) Racial Equity Commission**: This bill, until January 1, 2030, would have established in state government a Racial Equity Commission to develop resources, best practices, and tools for advancing racial equity by, among other things, developing a statewide Racial Equity Framework, as specified. Status: Died without further action on the Assembly Inactive File, 2022.

SB 71 (McGuire) Infractions and Community Service Programs**: This bill authorizes a court to permit a person to participate in an educational program as part of their community service to pay off the fine imposed for an infraction. Status: Signed by the Governor, Chapter 598, Statutes of 2021.

SB 113 (Senate Budget Committee) 2021-22 Economic Relief Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to economic relief actions reflected in the 2021-22 Budget, including, but not limited to those related to the California Small Business COVID-19 Relief Grant Program, federal Hard-Hit Small Businesses, Nonprofits, and Venues Act, and the federal Small Business Relief Act. Status: Signed by the Governor, Chapter 3, Statutes of 2022.

SB 151 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to the California Innovation Hub Program, California Small Business COVID-19 Relief Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Venues Grant Program, California Small Business Development Technical Assistance Expansion Program, and the California Competes Grant Program. Status: Signed by the Governor, Chapter 74, Statutes of 2022.

SB 189 (Senate Budget Committee) 2021-22 State Government Trailer Bill**: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to the Chief Equity Officer, Administrative Procedure Act, County Assessors' Grant Program, Office of Community Partnerships and Strategic Communications. Status: Signed by the Governor, Chapter 48, Statutes of 2022.

SB 193 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill**: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to a venture capital program, California Regional Initiative for Social Enterprises Program, California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Small Business Development Technical Assistance Expansion Act of 2018, Local Government Budget Sustainability Fund, California Containerized Ports Interoperability Grant Program, California Competes Grant Program, California Inclusive Innovation Hub Program, Accelerate California: Inclusive Innovation Hub, and the California Investment and Innovation Program. Status: Signed by the Governor, Chapter 68, Statutes of 2022.

SB 416 (Hueso) Corrections Educational Programs**: This bill requires the Department of Corrections and Rehabilitation to make college programs available for the benefit of inmates with a general education development certificate or a high school diploma. College programs are required to be provided by the California Community Colleges, the California State University, the University of California, or other regionally accredited, nonprofit college or university. Programs are required to include, but are not limited to, face-to-face instruction, comprehensive in-person support, and coordination with nonprofit postsecondary programs serving formerly incarcerated students. Status: Signed by the Governor, Chapter 766, Statutes of 2021.

SB 490 (Caballero) Community Anti-Displacement and Preservation Program**: This bill enacts the Buy American Food Act to require public institutions, as defined, that receive federal meal reimbursement funding to only purchase agricultural food products grown, packed, or processed domestically, unless the bid or price of the nondomestic agricultural food product is more than 25% lower than the bid or price of the domestic agricultural food product, the quality of the domestic agricultural food product is inferior to the quality of the agricultural food product grown, packed, or produced nondomestically, or the agricultural food product is not produced or manufactured domestically in sufficient and reasonably available quantities of a satisfactory quality to meet the needs of the public institution. Status: Signed by the Governor, Chapter 602, Statutes of 2022.

SB 512 (Min) Support Services for Foster Youth**: This bill expands eligibility for priority enrollment for current and former foster youth at the University of California, California State University, and California Community Colleges (CCC); and expands eligibility for a student support program for current and former foster youth at the CCCs. Status: Signed by the Governor, Chapter 574, Statutes of 2021.

SB 543 (Limón) Nonprofit Liaison**: This bill would have required the Department of General Services to designate a person to serve as a nonprofit liaison to assist nonprofits in working with state government, including responding to complaints, providing technical assistance, reporting concerns to the department, and developing specific procurement and contracting practices for nonprofits. Status: Vetoed by the Governor, 2022. The veto message states: *“Improving how our government engages with nonprofits is a worthy concept, but DGS is not the appropriate place to house this new position. The department has very few contracts with nonprofits, and procurement and execution of contracts and agreements is managed separately by each individual state entity.”*

SB 558 (Caballero) Farmworker Climate Resilience Adaptation Program**: This bill would have established the Farmworker Climate Resilience Adaptation Program, administered by the Strategic Growth Council, to fund the development and implementation of projects to address the needs of farmworkers, their families, and their communities for sustainable and equitable adaptation to the impacts of climate change, such as excess heat, freezes, increased risk from wildfire smoke, pandemics, and economic impacts of drought. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 599 (Hueso) PUC Diverse Procurement Reports**: This bill expands the entities on which the California Public Utilities Commission is required to report on their use of diverse suppliers, as defined. The additional entities include community choice aggregators with gross annual revenues exceeding \$15 million and electrical corporations, gas corporations, water corporations, wireless telecommunications service providers, electric service providers, and telephone corporations with gross annual California revenues exceeding \$15 million, but not more than \$25 million. The bill also makes additional changes including, but not limited to placing a January 1, 2024, sunset on the requirement for CPUC to submit a report on its California Solar Initiative program to the Legislature. Status: Signed by the Governor, Chapter 703, Statutes of 2022.

SB 625 (Caballero) California Investment and Innovation Program: This bill would have established the California Investment and Innovation Program, administered through the IBank, for the purpose of providing an ongoing source of revenues to community development financial institutions,

which are community-based organizations that are certified by the US Treasury to meet the needs of individuals, businesses, and communities who are underserved by traditional financial institutions. The provisions in the bill were adopted as part of the 2022-23 Budget. Status: Died without further action in the Assembly Committee on Appropriations, 2022.

SB 628 (Allen) California Creative Workforce Act of 2021**: This bill enacts the California Creative Workforce Act of 2021, for the purpose of establishing a priority for creative arts workforce development and to. The bill requires the California Arts Council, in collaboration with the California Workforce Development Board, to design a program to promote employment and “earn and learn,” job training opportunities for creative workers, among other objectives. Status: Signed by the Governor, Chapter 767, Statutes of 2021.

SB 665 (Umberg) Voluntary Veterans’ Preference Employment Policy Act**: This bill would have authorized a private employer to establish a veterans’ preference employment policy, as specified. Status: Vetoed by the Governor, 2022. The veto message states: *I am returning Senate Bill 665 without my signature. This bill allows private employers to create a temporary veterans' preference for hiring and deems these policies as not violating anti-discrimination laws, until January 1, 2028. Honoring veterans and assisting them in securing employment are vitally important goals of my Administration. However, I am concerned that the veterans' preference policies that would be permitted by this legislation could negatively impact employment opportunities for women and other protected groups underrepresented among veterans, such as people with disabilities. There are ways to make the preference workable and I look forward to working with the author to advance such a policy.*

SB 694 (Bradford) Wildfire Mitigation and Workforce Diversity**: This bill requires investor-owned electrical utilities to include a detailed summary of specified workforce development efforts within its mandated wildfire mitigation plan. These efforts are required to include, but not be limited to, a description of and data on the extent to which the electrical corporation advertises job openings to former and current conservation corps members, including formerly incarcerated conservation crew members. Status: Signed by the Governor, Chapter 733, Statutes of 2021.

SB 777 (Bradford) California Jump Start: This bill would have enacted the California Jumpstart Act, which directed the California Pollution Control Financing Authority to allocate up to \$300 million in credits against the gross premiums tax to investors in relief funds, as defined. Status: Held in the Assembly Committee on Revenue and Taxation, 2022.

SB 804 (Glazer) California Conservation Corps and Formerly Incarcerated**: This bill would have required the California Conservation Corps, in partnership with the Department of Forestry and Fire Protection and the Department of Corrections and Rehabilitation, to establish a forestry training center in northern California for formerly incarcerated individuals. Status: Vetoed by the Governor, 2021. The veto message states: *I am returning Senate Bill 804 without my signature. This bill would direct the California Conservation Corps (CCC) to establish a forestry training center providing training in Northern California for entry-level forestry and vegetation management jobs and prioritizing the enrollment of former conservation camp crew members, in consultation with the Department of Forestry and Fire Protection (CAL FIRE) and the Department of Corrections and Rehabilitation (CDCR).*

As California continues to face unprecedented fire seasons, California has worked to expand our firefighting force. In 2020, I was proud to sign AB 2147 (Chapter 60, Statutes of 2020), which allowed for incarcerated individuals to serve as firefighters following their release. Additionally, in October 2018, CDCR, in partnership with CAL FIRE and the CCC, began a Firefighter Training and Certification Camp in Ventura County. The pilot program was established to expand employment opportunities for incarcerated individuals with the intention of preparing them for entry-level firefighting jobs following release.

SB 907 (Pan) EBT Processing at Farmer's Markets**: This bill authorizes the use of Electronic Benefit Transfer (EBT) technology at all Farmer's Markets. Status: Signed by the Governor, Chapter 605, Statutes of 2022.

SB 951 (Durazo) Paid Family Leave**: This bill provides a one-year extension (1/1/2024 to 1/1/2025) to the existing wage replacement rates for the State Disability (SDI) and Paid Family Leave (PFL) programs. The bill also revises the formulas for determining benefits under both programs to provide an increased wage replacement rate and on January 1, 2024 repeals the wage ceiling for contributions into the SDI fund, thereby making all wages subject to the SDI contribution rate. Status: Signed by the Governor, Chapter 878, Statutes of 2022.

SB 972 (Gonzales) Street Vendors**: This bill adds street vendors to the California Food Retail Code to allow certified street vendors to sell home prepared food, as specified. Status: Signed by the Governor, Chapter 489, Statutes of 2022.

SB 1116 (Portantino) Performing Arts Equitable Payroll Fund**: This bill would have required the Legislative Analyst's Office to review any materials submitted to the High Speed Rail Authority and documented the authority requests from contractors, consultants, or external parties in order to provide external and independent oversight of the statewide high-speed rail system and provided recommendations to the policy and budget committees of the Legislature regarding the statewide high-speed rail system and the development of shared mobility systems statewide. Status: Died without further action in the Senate Committee on Transportation, 2022.

SB 1123 (Caballero) Resilience Navigators Program**: This bill would have required the Governor's Office of Planning and Research to develop the Resilience Navigators Program within the existing Integrated Climate Adaptation and Resilience Program to provide information and guidance to potential applicants for state programs that offer financial assistance related to climate resilience. The bill would have also required the California Natural Resources Agency to develop an interactive internet website that displays the state's climate adaptation strategy; and coordinated, science-based approaches for measuring the performance and outcomes of state investments that support the implementation of the state's climate adaptation strategy. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1126 (Cortese) Retirement Plans for Microbusinesses**: This bill authorizes employers with five or less employees to provide state-based retirement plans through CalSavers Retirement Savings Program. Status: Signed by the Governor, Chapter 192, Statutes of 2022.

SB 1162 (Limón) Disclosure of Salaries and Wages**: This bill requires the disclosure of salary ranges on job listings and expands pay data reporting requirements. Status: Signed by the Governor, Chapter 559, Statutes of 2022.

SB 1325 (Gonzalez) California Techquity Innovation Program: This bill would have required GO-Biz to establish a California Techquity Innovation Program, which support underserved and underrepresented entrepreneurs, technology accelerators, incubators, fully accredited institutions of higher education, local governments, and public-private partnerships that support, advise, and uplift underrepresented entrepreneurs. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1328 (McGuire) Prohibited Investments Russia and Belarus**: This bill, an urgency measure, would have prohibited new investments, including follow-on investments and renewals, to a prohibited company, a company that supplies military equipment to an aggressor country, or to a company the US government has designated as complicit in the aggressor countries' war against Ukraine. An aggressor country is defined as Russia or Belarus. A prohibited company is a company domiciled in Russia or Belarus or that is owned or controlled by Russia or Belarus, as specified. Status: Dies without further action in the Assembly Committee on Public Employment and Retirement, 2022.

SB 1349 (Caballero) California New Employment Credit**: This bill, a tax levy, would have expanded the currently significantly underutilized New Employment Credit by repealing the requirement that work must be performed by the qualified full-time employee in a designated target area, revises the definition of a qualified employee to conform with the definition used to claim a federal work opportunity credit (WOTC), and makes other technical changes. Status: Held under Submission in the Assembly Appropriations Committee, 2022.

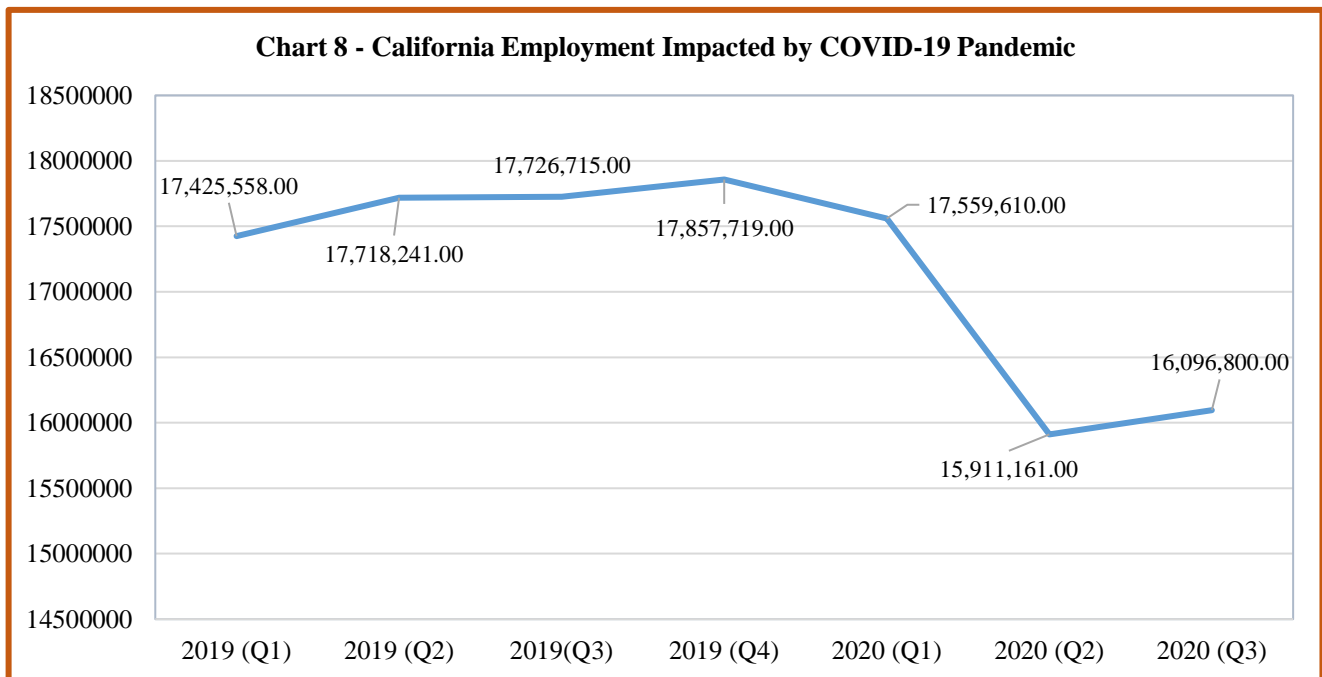
SB 1351 (Durazo) California Youth Apprenticeship Program**: This bill would have established the California Youth Apprenticeship Program to award grant funds to eligible applicants to provide funding for existing apprenticeship and preapprenticeship programs or to develop new apprenticeship programs to serve the target population and satisfy the goals and objectives specified in this article. They further stated that the program was intended to compliment and expand preapprenticeship and apprenticeship programs and not supplant them.
Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1407 (Becker) Employee-Owned Businesses: This bill, subject to appropriation, establishes the California Employee Ownership Hub, within the Office of Small Business Advocate, for the purpose of working with internal and external stakeholders. Status: Signed by the Governor, Chapter 733, Statutes of 2022.

Section III – Building a Workforce for a Prosperous and Inclusive Economy

California entered the COVID-19-induced recession with historically low unemployment. Between March and April 2020, California experienced a 2.7 million drop in jobs and a 1.6 million drop in jobs between the first and second quarters of 2020. Lower-wage workers and small businesses were most impacted by business closures, including workers and businesses owned by people of color, as well as women.

Chart 8 shows statewide employment by quarter beginning with the last quarter of 2019 and ending in the third of 2020.



Between the Fourth Quarter of 2019 and the end of the First Quarter of 2020, California employment had a 1.67% decline. The largest decline in 2020 was a 9.39% drop in the Second Quarter, which was followed by a small increase of 1.17% in the Third. Over the same period, US employment was less impacted, with employment losses in the Second Quarter being lower (8.1%) and Third Quarter increase being higher (2.5%).

Not all industry sectors were as negatively impacted as others. **Chart 9** (following page) shows nonfarm employment decreasing in all 11 industry sectors between January 2020 and January 2021. Industry impacts were primarily based on which businesses were deemed essential, which allowed them to continue throughout the year, which could be substantially undertaken remotely, and those which were most impacted by government-induced closures due to health and safety considerations.

Chart 9 – California Employment by Industry Sector January 2021 as Compared to January 2020		
<i>Industry</i>	<i>Total Jobs Lost</i>	<i>Percentage Lost</i>
Leisure and Hospitality	799,400	39%
Government	208,400	7.9%
Other Services	150,100	25.5%
Professional and Business Services	143,500	5.2%
Education and Health Services	134,500	4.7%
Trade, Transportation, and Utilities	109,900	3.5%
Manufacturing	85,300	6.4%
Information	53,700	9.3%
Construction	28,100	3.1%
Financial Activities	36,800	4.3%
Mining and Logging	3,100	14%
<i>Source:</i> EDD, Industry Employment and Labor Force, accessed Mar. 12, 2021		

Overall, California has regained 99.1% of the 2.75 million jobs lost during the February to April 2020 period due to the COVID-19 pandemic-induced recession (based on September 2022 employment numbers). September 2022 also marked the 12th consecutive month that jobs were added.

California's Future Economic Growth and External Markets

The California Economic Development Department’s (EDD) ten-year forecast cites continued population growth and the rise of foreign imports and exports to be key contributors to the state's long-term job growth. By 2028, EDD estimates that California's civilian labor force will reach 20.4 million, including individuals who are self-employed, unpaid family workers, private household workers, and farm and nonfarm workers. This estimate represents an 8.4% increase over the ten-year period, with an additional 1.6 million jobs.

While these new jobs are a welcomed development, they also pose a challenge. A [report by the Little Hoover Commission](#) (LHC) forecasts that California’s workforce will be underqualified to meet the needs of the state’s future economy. Based on student enrollment numbers for certificates and degrees, the deficit of qualified workers will grow to 2.3 million by 2025. In response to this finding, the LHC recommends the development of a new master plan for higher education with the overriding goal of increasing the number of Californians with degrees, certificates, and diplomas to meet the state’s future needs.

Chart 10 (following page) displays a 35% of the increase in jobs is expected in three industry sectors which generally require specialized education and training, including education and health care services, construction, and information.

Chart 10 – Projected Job Growth in Employment, 2018-2028 (ranked by numerical increase in jobs and including new and replacement jobs)							
	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
1	Educational Services, Health Care, and Social Assistance	19.3%	524,600	7	Government	3.0%	78,500
2	Professional and Business Services	10.1%	270,400	8	Other Services (excludes private household services)	5.2%	29,800
3	Leisure and Hospitality	13.0%	258,200	9	Financial Activities	3.0%	25,300
4	Trade, Transportation, and Utilities	5.2%	158,400	10	Total Farm	2.3%	9,600
5	Information	15.6%	85,000	11	Mining	-5.9%	-1,300
6	Construction	9.8%	84,400	12	Manufacturing	-1.7%	-22,000

Source: EDD, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html> Accessed 9/23/21

Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to workforce development. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in *Section X*.

AB 106 (Salas) Regions Rise Grant Program: This bill would have established the Regions Rise Grant Program, administered by the Governor's Office of Planning and Research, for the purpose of supporting inclusive, cross-jurisdictional, and innovative processes that lead to inclusive strategies to address barriers and challenges confronting communities in creating economic prosperity for all. While not enacted, the bill was used as the model for the Community Economic Resiliency Fund Program. Status: Died without further action in the Senate Committee on Business, Professions and Economic Development, 2022.

AB 240 (Rodriguez) Local Health Department Workforce**: This bill would have required the California Department of Public health to conduct an evaluation of the adequacy of the local health department infrastructure and to make recommendations for future staffing, workforce needs, and resources, in order to accurately and adequately fund local public health. Status: Vetoed by the Governor, 2022. Implementation of the bill would have been contingent upon sufficient funding from state, federal, or private funding to support an advisory group and specified evaluation contract. The veto message stated: *“California is a model for the nation in our public health preparedness, response, and ongoing investment. My administration is committed to transforming our state's public health system to reduce health disparities and improve health equity - all reasons why the Budget includes \$300 million General Fund for public health infrastructure, which includes \$200 million for local health departments to build up core public health functions, while also helping to close workforce gaps. I believe we should turn our focus to utilizing the resources received in the Budget for this transformation, which calls for immediate action on recruitment and hiring to support a modern and innovative public health system.”*

AB 245 (Chiu) Educational Equity**: This bill requires a campus of the University of California, California State University, or California Community Colleges to update a former student's records to include the student's updated legal name or gender if the institution receives government-issued documentation from the student demonstrating that the former student's legal name or gender has been changed. Status: Signed by the Governor, Chapter 555, Statutes of 2021.

AB 292 (Stone) Corrections Rehabilitative Programming**: This bill requires the Department of Corrections and Rehabilitation to conduct rehabilitative programming in a manner that meets specified requirements, such as prioritizing a person who has transferred between facilities to resume rehabilitative programming, if the transfer was for nonadverse reasons, minimizing program wait times, and offering a variety of program opportunities to inmates regardless of security level or sentence length. Status: Signed by the Governor, Chapter 579, Statutes of 2021.

AB 340 (Ward) 529 College Savings Plans**: This bill conforms the state's 529 college savings plan statute to recent changes in federal tax law, expanding allowable withdrawals from 529 plans to include expenses associated with participation in a registered apprenticeship program and student loan repayment. Status: Signed by the Governor, Chapter 557, Statutes of 2021.

AB 417 (McCarty) Rising Scholars Network**: This bill authorizes the California Community College Chancellor's Office to establish a grant program, the Rising Scholars Network, to provide supplemental funding for services in support of postsecondary education for formerly and currently incarcerated students, also known as justice-involved students. Status: Signed by the Governor, Chapter 558, Statutes of 2021.

AB 461 (Villapudua) CalWORKs and Self-Employment**: This bill specifies the factors used to calculate the number of welfare-to-work hours a California Work Opportunity and Responsibility to Kids (CalWORKs) participant is engaging in self-employment activities. Status: Signed by the Governor, Chapter 582, Statutes of 2021.

AB 469 (Reyes) Outreach for Student Aid**: This bill requires, on or before September 1, 2022, and each year thereafter, the California Student Aid Commission and the California Department of Education to facilitate the completion of the Free Application for Student Aid and the California Dream Act Application, through the sharing of specified data. Status: Signed by the Governor, Chapter 560, Statutes of 2021.

AB 543 (Davies) Student Orientation and CalFresh**: This bill requires campuses of the California Community Colleges and the California State University Board of Trustees, and requests the University of California Board of Regents, to provide all incoming students with educational information regarding the CalFresh program, including the eligibility requirements, during campus orientation. Status: Signed by the Governor, Chapter 561, Statutes of 2021.

AB 628 (E. Garcia) Breaking Barriers to Employment Initiative: This bill modifies the provisions of the Breaking Barriers to Employment Initiative (BBEI), administered by the California Workforce Development Board, in order to expand the purpose of the BBEI to include efforts for the retention of employees as well as efforts that enhance racial and economic justice. This bill would also revise and expand the BBEI's grant application requirements, evaluation criteria, list of eligible populations which

the BBEI can serve, and eligible activities which the BBEI grants can fund. The 2021-22 Budget includes a \$30 million appropriation for the BBEI. Status: Signed by the Governor, Chapter 323, Statutes of 2021.

AB 630 (Arambula) Online Jobs and Economic Support Resource Grant Program: This bill would have established the Online Jobs and Economic Support Resource Grant Program for the purpose of providing competitively awarded grants to eligible applicants to support new or existing online jobs resource platforms targeted toward low-income communities. The new grant program would have been administrated through the Governor's Office of Business and Economic Development, subject to sufficient funds being appropriated. Eligible applicants would have included nonprofits, cooperatives, public benefit corporations, and local governments. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 680 (Burke) California Jobs Plan Act of 2021: This bill enacts the California Jobs Plan Act of 2021, which requires the California Workforce Development Board to work with the Labor Agency to update, by July 1, 2025, Greenhouse Gas Reduction Fund (GGRF) funding guidelines to ensure that all applicants to GGRF-funded grant programs meet certain standards. Among other requirements, the updated guidelines are required to include fair and responsible employer standards, inclusive procurement policies, and preferences to applicants that demonstrate a partnership with an educational institution or training program targeting residents of under-resourced, tribal, and low-income communities, as defined, in the same region as the proposed project and to applicants that demonstrate the creation of high-quality jobs, as defined. Status: Signed by the Governor, Chapter 746, Statutes of 2021.

AB 844 (Grayson) Green Empowerment Zone: This bill establishes the Green Empowerment Zone for the Northern Waterfront area of the County of Contra Costa for the purpose of building upon the comparative advantage provided by the regional concentration of highly-skilled energy industry workers by prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private sector investment in the renewable energy sector. Status: Signed by the Governor, Chapter 377, Statutes of 2021.

AB 914 (Weber) CSU Proficiency Level of Entering Students**: This bill makes changes to the requirements of a previously mandated report of the California State University Chancellor's Office by extending the annual report deadline by two months, eliminating a specified related interim report, and requiring the report to include additional information relating to freshmen student placement in CSU courses. Status: Signed by the Governor, Chapter 564, Statutes of 2021.

AB 927 (Medina) Statewide Baccalaureate Degree through CCCs**: This bill authorizes the Board of Governors of the California Community Colleges to transform the statewide baccalaureate degree pilot program into a permeant program. Status: Signed by the Governor, Chapter 565, Statutes of 2021.

AB 928 (Berman) Student Transfer Achievement Reform Act of 2021**: This bill requires the California State University and University of California to jointly establish a singular lower division general education pathway for transfer admission into both segments. The bill further requires the California Community Colleges to place students who declare a goal of transfer on an Associate

Degree for Transfer pathway for their intended major. Status: Signed by the Governor, Chapter 566, Statutes of 2021.

AB 1002 (Choi) Course Credit for Prior Military Training**: This bill requires the California State University Chancellor's Office, in collaboration with the CSU Academic Senate, and requests the University of California, by September 1, 2022, to develop a consistent policy for awarding course credit for prior military education, training, and service, as specified. Status: Signed by the Governor, Chapter 567, Statutes of 2021.

AB 1009 (Bloom) Farm to Community Food Hub Program**: This bill establishes the Farm to Community Food Hub Program to incentivize the creation of food hubs that help local and regional farms distribute their products to public institutions and nonprofits in the area. Status: Signed by the Governor, Chapter 608, Statutes of 2021.

AB 1015 (Rubio) Nursing Programs and Clinical Placements**: This bill requires the Board of Registered Nursing to incorporate regional forecasts into its biennial analyses of the nursing workforce, including data on the number of clinical placement slots that are available throughout the state. In addition, the bill requires the board to develop a plan to address regional shortages of nurses, as identified in the forecast. Status: Signed by the Governor, Chapter 591, Statutes of 2021.

AB 1106 (Cervantes and Reyes) Small Business Workforce Development: This bill would have established a pilot project through the Employment Training Panel for the purpose of enhancing the ability of a regionally-focused statewide business training center network to work hand-in-hand with business leaders, small business service providers, as well as other workforce partners, to get people back to work. The 2021-22 state budget included a \$15 million appropriation that aligns with this request. Status: Held under Submission in the Senate Committee on Appropriations, 2021.

AB 1111 (Berman) Common Course Numbering System for Postsecondary Education**: This bill requires, by July 1, 2024, that California Community Colleges adopt a common course numbering system, which is used by all community colleges and is included in each community college campus catalog. Status: Signed by the Governor, Chapter 568, Statutes of 2021.

AB 1113 (Medina) Exemption from Tuition and Fees**: This bill establishes a tuition and fee waiver at campuses of the California Community Colleges, the California State University, and the University of California for spouses and dependents of doctors, nurses, and first responders who died from COVID-19 during the California COVID-19 pandemic state of emergency and were either employed or contracted to provide medical services during the COVID-19 pandemic, qualifying survivors of persons providing medical or emergency services deceased during COVID-19 California state of emergency. Status: Signed by the Governor, Chapter 569, Statutes of 2021.

AB 1171 (Arambula) San Joaquin Valley Partnership: As passed by JEDE, this bill would have codified the San Joaquin Valley Partnership, a public/private partnership established for the purpose of supporting regional collaboration among individuals and public and private entities committed to improving the quality of life in the San Joaquin Valley. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 626, Statutes of 2021.

AB 1326 (Arambula) County Social Service Liaisons for Higher Education:** This bill requires a county human services agency to designate at least one employee as a staff liaison to serve as a contact for academic counselors and other specified professionals at a college or university campus in order to provide information on available public social services, as specified. Status: Signed by the Governor, Chapter 570, Statutes of 2021.

AB 1644 (Flora) Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021:** This bill, an urgency measure, exempts certain forest health and fire prevention projects funded by the Greenhouse Gas Reduction Fund from certain standards required by the California Jobs Plan Act of 2021, including fair and responsible employer standards and inclusive procurement policies. Status: Signed by the Governor, Chapter 202, Statutes of 2022.

AB 1854 (Boerner Horvath) Unemployment Insurance and Work Sharing Plans:** This bill authorizes the use of electronic signatures on all work sharing plan documents and removes the sunset on the use of the electronic portal for submitting documents. Status: Signed by the Governor, Chapter 112, Statutes of 2022.

AB 2003 (Mike Fong) Model Career Pathways:** This bill would have required the California Workforce Development Board to identify existing and facilitate the development of new career pathway models that build upon the basic skill sets of workers who are employed in essential worker occupations to support their career advancement into high road occupations, as specified. Status: Vetoed by the Governor, 2022. The veto message states: *“I appreciate the author's intent to provide on-ramps to high road careers for California's essential workers, but this bill does not align with California's high road model for workforce development and is duplicative of ongoing state-funded initiatives to prioritize dislocated and essential workers facing barriers to employment, including \$115 million to establish, expand and improve High Roads Training Partnerships (H RTP). This bill would require CWDB to duplicate efforts in at least 10 of the 13 industry sectors that receive H RTP funding. Policies in this space should complement ongoing state efforts to prioritize and assist workers facing barriers to employment.”*

AB 2046 (Medina) University of California: Inland Rising Fund:** This bill requires certain moneys appropriated by the Legislature during 2022–23 to 2024–25, inclusive, to directly support campus expansion projects or University of California climate initiatives, or both, at the University of California, Riverside, and the University of California, Merced, as specified. In addition, the bill declares that all uses of these funds are determined to be public works and places certain wage and workforce requirements on these projects. Status: Signed by the Governor, Chapter 526, Statutes of 2022.

AB 2284 (Gabriel) Pupil Instruction and Digital Literacy:** This bill, subject to appropriation, requires the Superintendent of Public Instruction to allocate funding for the purchase of standards-aligned instructional materials in media literacy and digital literacy, as defined, and for professional development in that content. Status: Held under Submission in the Suspense File of the Senate Committee on Appropriations, 2022.

AB 2342 (Cervantes) Community Economic Resilience Fund Program: This bill updates the \$600 million California Economic Resilience Fund Program to reflect best economic development practices and provide statutory assurances of inclusive regional community development plans. Status: Signed by the Governor, Chapter 568, Statutes of 2022.

AB 2508 (Quirk-Silva) Pupil Services and Educational Counseling:** This bill urges the governing board of a school district to provide access to a comprehensive educational counseling program for all pupils enrolled in the school district and requires educational counseling to include certain postsecondary services. The bill also revises and recasts the Legislative intent provision on the services of school counselors and revises the definition of “educational counseling” for these purposes. Status: Signed by the Governor, Chapter 153, Statutes of 2022.

AB 2847 (Eduardo Garcia) Unemployment and the Excluded Workers Pilot Program:** This bill would have established, until January 1, 2026, the Excluded Workers Pilot Program, for the purpose of providing income assistance to excluded workers who are ineligible for the existing state or federal benefits, as specified. The bill would have provided \$300 per week for each week of unemployment for eligible workers, as determined by the Employment Development Department. Status: Vetoed by the Governor, 2022. The veto message states: *“California has taken critical actions to support inclusion and opportunity for undocumented immigrants and mixed status families. Just this year, California made historic investments to ensure more undocumented Californians have access to health care, food assistance, and to provide inflation relief regardless of immigration status. As we continue forward, this bill needs further work to address the operational issues and fiscal concerns, including a dedicated funding source for benefits.*

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is also important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.”

AB 2849 (Mia Bonta) The Promote Ownership by Workers for Economic Recovery Act:** This bill enacts the Promote Ownership by Workers for Economic Recovery Act, which establishes a panel to conduct a study regarding the creation of an Association of Cooperative Labor Contractors for the purpose of facilitating the growth of democratically run high-road cooperative labor contractors, as specified. The bill requires the panel to complete the study and make it publicly available on the internet by June 30, 2024. Status: Signed by the Governor, Chapter 808, Statutes of 2022.

AB 2873 (Jones-Sawyer) Supplier and Contractor Diversity: Requires certain housing sponsors who receive a Low Income Housing Tax Credit allocation on or after January 1, 2024 to annually report on the diversity of the suppliers and contractors, as specified. Status: Signed by the Governor, Chapter 316, Statutes of 2022.

AB 2878 (Aguiar-Curry) Forest Biomass Waste Utilization Program**: This bill would have established the Forest Waste Biomass Utilization Program to undertake three activities in collaboration and coordination with certain specified state entities:

- 4) Develop an implementation plan to meet the goals and recommendations of the Forest Biomass Waste Utilization Plan.
- 5) A comprehensive framework to align the state's wood utilization policies and priorities and the focused market strategy required by the Wildfire and Forest Resilience Action Plan.
- 6) A workforce training program that will complement the workforce needs associated with implementation of the biomass utilization program. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

SB 416 (Hueso) Corrections Educational Programs**: This bill requires the Department of Corrections and Rehabilitation to make college programs available for the benefit of inmates with a general education development certificate or a high school diploma. College programs are required to be provided by the California Community Colleges, the California State University, the University of California, or other regionally accredited, nonprofit college or university. Programs are required to include, but are not limited to, face-to-face instruction, comprehensive in-person support, and coordination with nonprofit postsecondary programs serving formerly incarcerated students. Status: Signed by the Governor, Chapter 766, Statutes of 2021.

SB 436 (Dahle) Community Colleges Nonresident Tuition**: This bill removes the sunset date of provisions in current law, which authorize Lake Tahoe Community College to waive non-resident tuition fees and claim apportionment for a limited number of students that reside in the Nevada communities of the Lake Tahoe Basin, thereby making the authorization permanent. Status: Signed by the Governor, Chapter 573, Statutes of 2021.

SB 485 (Portantino) Motion Picture Tax Credit Extension**: This bill, a tax levy, would have recast the Film and TV Tax Credit 3.0 Program by requiring applicants to submit a diversity work-plan, as specified, expanding the definition of qualified expenditures for the soundstage credit to include the qualified expenditures paid or incurred by a qualified taxpayer for all taxable years during the production of qualified motion picture instead of during just the "taxable year;" and modifies the sunset provisions of Program 3.0 to be either the enactment of legislation in as part of the 2023 Budget or June 30, 2025. Status: Died without further action in the Assembly, 2022.

SB 512 (Min) Support Services for Foster Youth**: This bill expands eligibility for priority enrollment for current and former foster youth at the University of California, California State University, and California Community Colleges (CCCs); and expands eligibility for a student support program for current and former foster youth at the CCCs. Status: Signed by the Governor, Chapter 574, Statutes of 2021.

SB 628 (Allen) California Creative Workforce Act of 2021**: This bill enacts the California Creative Workforce Act of 2021, for the purpose of establishing a priority for creative arts workforce development and to. The bill requires the California Arts Council, in collaboration with the California Workforce Development Board, to design a program to promote employment and "earn and learn," job training opportunities for creative workers, among other objectives. Status: Signed by the Governor, Chapter 767, Statutes of 2021.

SB 665 (Umberg) Voluntary Veterans' Preference Employment Policy Act**: This bill would have authorized a private employer to establish a veterans' preference employment policy, as specified. Status: Vetoed by the Governor, 2022. The veto message states: *I am returning Senate Bill 665 without my signature. This bill allows private employers to create a temporary veterans' preference for hiring and deems these policies as not violating anti-discrimination laws, until January 1, 2028. Honoring veterans and assisting them in securing employment are vitally important goals of my Administration. However, I am concerned that the veterans' preference policies that would be permitted by this legislation could negatively impact employment opportunities for women and other protected groups underrepresented among veterans, such as people with disabilities. There are ways to make the preference workable and I look forward to working with the author to advance such a policy.*

SB 684 (Hueso) California Border Commission: As passed by the JEDE Committee this bill would have established the California Border Commission to serve as a public stakeholder body on cultural, economic, and environmental issues relating to California's border region, which is described as the Counties of Imperial and San Diego. In addition, this bill repealed the authority and duties of the California-Mexico Border Relations Council and reassigned them to the California Border Commission. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 936, Statutes of 2022.

SB 694 (Bradford) Wildfire Mitigation and Workforce Diversity**: This bill requires investor-owned electrical utilities to include a detailed summary of specified workforce development efforts within its mandated wildfire mitigation plan. These efforts are required to include, but not be limited to, a description of and data on the extent to which the electrical corporation advertises job openings to former and current conservation corps members, including formerly incarcerated conservation crew members. Status: Signed by the Governor, Chapter 733, Statutes of 2021.

SB 737 (Limón) California Student Opportunity and Access Program**: This bill modifies and expands criteria for which the California Student Aid Commission may apportion funds to support projects under the California Student Opportunity and Access program, and additionally expands the duties and responsibilities of funded projects. Status: Signed by the Governor, Chapter 575, Statutes of 2021.

SB 755 (Roth) Reporting on Training-related Job Placement**: This bill requires the California Workforce Development Board and the Employment Development Department to work collaboratively to measure and report on existing training-related job placement outcomes for individuals receiving job training services provided through the workforce system, including all job training services funded by Title I of the federal Workforce Innovation and Opportunity Act and through grants administered by the board, regardless of the source of the moneys. This measuring and reporting are intended to ensure that job training services investments are linked to regional labor market demand and provide opportunities for upward mobility. Status: Signed by the Governor, Chapter 815, Statutes of 2022.

SB 804 (Glazer) California Conservation Corps and Formerly Incarcerated**: This bill would have required the California Conservation Corps, in partnership with the Department of Forestry and Fire

Protection and the Department of Corrections and Rehabilitation, to establish a forestry training center in northern California for formerly incarcerated individuals. Status: Vetoed by the Governor, 2021. The veto message states: *I am returning Senate Bill 804 without my signature. This bill would direct the California Conservation Corps (CCC) to establish a forestry training center providing training in Northern California for entry-level forestry and vegetation management jobs and prioritizing the enrollment of former conservation camp crew members, in consultation with the Department of Forestry and Fire Protection (CAL FIRE) and the Department of Corrections and Rehabilitation (CDCR). As California continues to face unprecedented fire seasons, California has worked to expand our firefighting force. In 2020, I was proud to sign AB 2147 (Chapter 60, Statutes of 2020), which allowed for incarcerated individuals to serve as firefighters following their release. Additionally, in October 2018, CDCR, in partnership with CAL FIRE and the CCC, began a Firefighter Training and Certification Camp in Ventura County. The pilot program was established to expand employment opportunities for incarcerated individuals with the intention of preparing them for entry-level firefighting jobs following release.*

SB 951 (Durazo) Paid Family Leave**: This bill provides a one-year extension (1/1/2024 to 1/1/2025) to the existing wage replacement rates for the State Disability (SDI) and Paid Family Leave (PFL) programs. The bill also revises the formulas for determining benefits under both programs to provide an increased wage replacement rate and on January 1, 2024 repeals the wage ceiling for contributions into the SDI fund, thereby making all wages subject to the SDI contribution rate. Status: Signed by the Governor, Chapter 878, Statutes of 2022.

SB 1020 (Laird) Clean Energy, Jobs, and Affordability Act of 2022**: This bill sets a number of new goals and updates existing goals on the use of renewable energy resources and zero-carbon resources, including supplying 90% of all retail sales of electricity to California end-use customers by December 31, 2035; 95% of all retail sales of electricity to California end-use customers by December 31, 2040; and 100% of electricity procured to serve all state agencies by December 31, 2035 (previously set at 2045). The bill also removes the exclusion of counting toward the state’s renewable and zero-emission generation goals, energy produced at Diablo Canyon, as specified. Status: Signed by the Governor, Chapter 361, Statutes of 2022.

SB 1116 (Portantino) Performing Arts Equitable Payroll Fund**: This bill would have required the Legislative Analyst’s Office to review any materials submitted to the High Speed Rail Authority and documented the authority requests from contractors, consultants, or external parties in order to provide external and independent oversight of the statewide high-speed rail system and provided recommendations to the policy and budget committees of the Legislature regarding the statewide high-speed rail system and the development of shared mobility systems statewide. Status: Died without further action in the Senate Committee on Transportation, 2022.

SB 1251 (Gonzalez) Office of the Zero-Emission Vehicle Equity Advocate**: This bill codifies the existing zero-emission vehicle unit within GO-Biz and names the unit the “Zero-Emission Vehicle Market Development Office.” The bill specifies that the unit will continue to be administered by a deputy director appointed by the Governor and charges the unit with the development of a shared, cross-agency definition of equity, which will be used to develop an equity action plan for the deployment of light-, medium-, and heavy-duty zero-emission vehicles, the supporting infrastructure, and workforce development. Until January 1, 2028, the unit is authorized to hire a Zero-Emission

Vehicle Equity Advocate appointed by the Governor. Status: Signed by the Governor, Chapter 372, Statutes of 2022.

SB 1349 (Caballero) California New Employment Credit**: This bill, a tax levy, would have expanded the currently significantly underutilized New Employment Credit by repealing the requirement that work must be performed by the qualified full-time employee in a designated target area, revises the definition of a qualified employee to conform with the definition used to claim a federal work opportunity credit (WOTC), and makes other technical changes. Status: Held under Submission in the Assembly Appropriations Committee, 2022.

SB 1351 (Durazo) California Youth Apprenticeship Program**: This bill would have established the California Youth Apprenticeship Program to award grant funds to eligible applicants to provide funding for existing apprenticeship and preapprenticeship programs or to develop new apprenticeship programs to serve the target population and satisfy the goals and objectives specified in this article. They further stated that the program was intended to compliment and expand preapprenticeship and apprenticeship programs and not supplant them.
Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1407 (Becker) Employee-Owned Businesses: This bill, subject to appropriation, establishes the California Employee Ownership Hub, within the Office of Small Business Advocate, for the purpose of working with internal and external stakeholders. Status: Signed by the Governor, Chapter 733, Statutes of 2022.

Section IV – Engaging Global Markets to Support Economic Growth

International trade and foreign investment are important components of California’s \$3.3 trillion economy (2021 most recent data), supporting nearly 5 million California jobs. The importance of trade to the state economy increased as a growing number of California businesses accessed new global markets. In the last three decades, the percentage of California jobs tied to trade more than tripled, moving from 10.6% in 1992 to nearly 30.3% in 2020.

In 2021, the state’s diverse group of business owners and workers produced and/or exported \$175.1 billion in goods, representing 12.3% of total U.S. exports, and imported \$470.7 billion, representing 16.6% of total US imports.

Many jobs associated with these major industry sectors are also associated with high wages. Research by the U.S. International Trade Commission undertaken in 2010 and updated in 2015 found a significant earnings premium in jobs within export-intensive manufacturing industries – a 19% premium for blue-collar workers and a 9.9% premium for white-collar workers.

Manufacturing has many economic advantages and is often considered the “gold standard” for jobs because of its high wages, the inclusion of small businesses within its global supply chains and having a high multiplier effect on related jobs. The Milken Institute estimates that for every job created in manufacturing, 2.5 jobs are created in other sectors. In some industry sectors, such as electronic computer manufacturing, the multiplier effect is 16:1.

As noted earlier in the report, California’s largest industry sector by employment is trade, transportation, and utilities, which encompasses everything from major retail outlets to import-export businesses to transportation and warehousing. These industry sectors support the flow of goods across the US, as well as globally. For their part, California manufacturers have reaped the short-term benefits of global supply chains and just-in-time delivery models.

Advances in transportation and communication technologies encourage the development of previously undeveloped markets and expand multinational business opportunities for California firms. With more than 95% of consumers located **outside** the US and emerging economies experiencing a growing middle class, accessing global markets has been key to California’s continued economic growth. Manufacturers have also reaped benefits from global supply chains and just-in-time delivery models. Today, four of California’s top five exports include parts, which leave the state to be combined and assembled into final products in foreign countries.

Chart 11 shows data on the export of goods to the state’s top six trade partners, based on the origin of movement. California’s largest export market in 2021 was Mexico, which received over \$27.2 billion

California’s Logistic Network

California’s 11 major commercial seaports move more than 40% of the containerized cargo entering the US, representing nearly 30% of all US exports. This cargo is responsible for more than 1 million California jobs and 3 million jobs nationally. Collectively, the California seaports are the most significant system of ports in the nation.

Seaports are, however, only one component of the state’s freight system. The production and delivery of products is a multifaceted and highly integrated logistical network of specialized supply chains comprising businesses, skilled workers, and transportation facilities and infrastructure.

in California products. Top-ranking export destinations not shown on the chart include Germany, the Netherlands, and the United Kingdom.

Chart 11 - California Exports of Goods 2013-2021 (billions of dollars)

	Partner	2013	2014	2015	2016	2017	2018	2019	2020	2021
	World	\$168.1	\$173.8	\$165.3	\$163.2	\$171.9	\$178.1	\$173.7	\$155.8	\$175.1
1	Mexico	\$23.9	\$25.4	\$26.7	\$25.2	\$26.7	\$30.7	\$27.8	\$24.0	\$27.3
2	Canada	\$18.8	\$18.3	\$17.2	\$16.2	\$16.8	\$17.6	\$16.6	\$16.0	\$17.8
3	China	\$16.2	\$16.0	\$14.3	\$14.3	\$16.4	\$16.3	\$15.8	\$15.0	\$16.7
4	Japan	\$12.7	\$12.2	\$11.7	\$11.7	\$12.8	\$13.0	\$11.8	\$10.5	\$11.8
5	South Korea	\$8.3	\$8.6	\$8.6	\$8.2	\$9.5	\$9.9	\$9.1	\$9.7	\$11.6
6	Taiwan	\$7.5	\$7.4	\$7.7	\$6.9	\$6.3	\$6.8	\$7.2	\$7.3	\$8.9

Source: International Trade Administration, accessed 3/26/22

Many of California’s top exports are parts and components. Research shows that California businesses participate in large, expanded global supply chains, with components leaving and arriving in the state assembled and/or partially assembled before becoming available for retail and wholesale distribution.

California’s **top seven exports** in 2021 were: computer and electronic products (\$39.6 billion), machinery, except electrical (\$20.3 billion), chemicals (\$17.5 billion), transportation equipment (\$16.1 billion), agricultural products (\$14.1 billion), miscellaneous manufactured commodities (\$13.4 billion), and food processors (\$11 billion).

Imports into California were valued at \$470.7 billion in 2021, representing 16.6% of total US imports and ranking the state as one of the top 20 largest importers in the world. China is the **largest source** of imports to California, valued at 145.9 billion in 2021. Imports from Mexico (\$57.6 billion) ranked second, followed by Canada (\$280.0 billion) and South Korea (\$26.0 billion).

The **largest amount of products imported** in 2021 by dollar: computer and electronic products (\$128.6 billion); transportation equipment (\$55.6 billion); miscellaneous manufactured commodities (\$34.5 billion); electrical equipment, appliances, and components (\$33.9 billion); machinery, except electrical (\$23.4 billion); oil and gas (\$19.9 billion); apparel and accessories (\$19.7 billion); chemicals (\$18.1 billion); and processed foods (\$16.6 billion).

Between 2006 and 2020, the exports of California services increased by 59.8%, from \$422 billion to \$705 billion in services. California’s largest export service sectors in 2020 included:

- Other Business Services at \$183.1 billion
- Financial Services at \$144.3 billion
- Charges for the Use of Intellectual Property (*not included elsewhere*) at \$113.7 billion
- Travel Services at \$72.8 billion
- Telecommunications, Computer, and Information Services at \$56.6 billion
- Transport Services at \$56.7 billion

The United Kingdom has been California's largest service export market, receiving \$62.6 billion in services in 2020 and supporting an estimated 427,000 California jobs in 2015 (most recent data). California's second-largest service export market has been Canada, with \$53.6 billion in services in 2020 and having supported 360,000 jobs in 2015 (most recent data). Service exports from California to Mexico ranked seventh among all countries, with \$23.4 billion in services exported in 2020 and having supported 201,000 jobs in 2015 (most recent data).

In addition to exporting goods and services, the California economy benefits from foreign-owned firms. The Federal International Trade Administration estimates that in 2015 (most recent data), 769,200 California workers have benefited from jobs with foreign-owned firms.

California has had the highest level of employment in foreign-owned firms in the nation since at least 1997. In 2015 (most recent data), jobs in California foreign-owned firms represented 5.1% of all private sector jobs in the state, up from 4.1% in 2013. Along with employment, foreign-owned firms own more property, plants, and equipment in California than in any other state.

COVID-19-related Disruptions in Global Supply Chains Explained

At the beginning of the pandemic, businesses across the US held billions in unsold goods as consumers abruptly reduced purchasing of new products. This caused the inventory-to-sales ratios to spike for nonperishable goods. Over time, these businesses could liquidate inventories, and many elected not to maintain pre-pandemic inventory levels. Pandemic-related worker shortages globally also resulted in disruption and inefficiencies within the production and distribution sectors.

As the most significant economic restrictions due to the COVID-19 pandemic began to lift in mid-2021, consumers in the US started making historical levels of purchases. Low inventories, workforce shortages, and rapidly rising wholesale and retail demands created cascading issues all along supply chains.

According to a Small Business Pulse Survey (May 31 to June 6, 2021) administered by the US Census Bureau, 36% of small business respondents reported delays with domestic suppliers, with delays concentrated in the manufacturing, construction, and trade sectors.

Another impact of the shortages, as reported by the White House, has been abrupt price increases. Between May 2020 and May 2021, prices of commodities tracked within the Producer Price Index rose by 19%, the largest year-over-year increase since 1974. In May 2022, the unadjusted Producer Price Index for goods and services rose 0.8% from the prior month and 10.8% year-over (*see sidebar for more details*).

In addition to the direct impacts on retail and lack of component parts for manufacturers, supply chain disruptions also limited business activity in other sectors. For example, the National Association of Homebuilders reported that shortages of key materials such as framing lumber, wallboard, and roofing impacted many homebuilders, which resulted, in part, by homebuilders delaying new construction.

The production and delivery of products is an integrated system – disruptions at any point in the system impact the overall system's capacity. According to data compiled by Sea-Intelligence, an

international research firm, nearly 13% of the world's cargo shipping capacity was tied up by delays during the fall of 2021. Below is a list of key features to supply chain disruptions that impacted California:

- COVID-19 shut down manufacturing and port operations in key trading partners, including Southeast Asia.
- Even as the Ports of Los Angeles and Long Beach processed record levels of cargo (throughput), dozens of ships remained waiting to be offloaded.
- There was a shortage of truckers to pick up the unloaded containers at the ports. In September 2021, the LA Port estimated that 30% of truck appointments were not filled.
- Warehouses in Southern California were full, resulting in containers on truck chassis sitting for up to a week waiting to be unloaded. It was reported that warehouse capacity for offloading goods was down to 2% in Los Angeles and 4% in the Inland Empire.
- The lack of warehouse space resulted in:
 - Trucks entering and parking/idling in residential or other nonindustrial areas of cities.
 - A shortage of truck chassis on which to place new containers for distribution.
- While alternative temporary sites to offload products were pursued, some cities in Southern California refused to permit temporary offloading sites.

Six months into 2022, some of these factors were resolving, while others like the lack of chassis and trailers continued. Work stoppages in China due to their reliance on a “Zero COVID” policy continue to disrupt manufacturing and the delivery of parts, components, and finished products to foreign markets. New supply chain issues have also arisen in 2022, including the escalation of the Ukraine-Russia war and failures in the domestic production of baby formula. Sanctions on Russia in response to its unprovoked attack on Ukraine, actions taken by OPEC members, and high profit margins for oil companies are driving energy costs higher globally, including in the US.

Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to the engagement of global markets to support economic growth. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in *Section X*.

AB 475 (Muratsuchi) Japan Trade Office: This bill would have required, subject to appropriation, the Governor's Office of Business and Economic Development to establish an international trade and investment desk in Tokyo, Japan, by January 1, 2024. The bill specifies Governor's Office of Business and Economic Development may contract with the Japan External Trade Organization to provide office and meeting space for the trade and investment desk. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 538 (Muratsuchi and Friedman) California Aerospace Commission: This bill would have enacted the California Aerospace and Aviation Act of 2021 and established a 15-member California Aerospace Commission within the administrative organization of the Governor's Office of Business and Economic Development. The purpose of the Commission was to serve as a central point of

contact for businesses engaged in the aerospace industry and to support the health and competitiveness of this industry in California. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 794 (Carrillo) Purchase of New Drayage and Short-haul Trucks**: This bill, beginning with the 2022–23 fiscal year, and each fiscal year thereafter, limits participation in specified state incentive programs to only those fleet purchasers of new drayage and short-haul trucks that can demonstrate that they do not have any applicable law violation at the time of applying for the incentive, is not on the list maintained by the Division of Labor Standards Enforcement under Section 2810.4 of the Labor Code, and attests it will retain direct control over the manner and means for the performance of any individual using or driving the vehicle. As part of meeting these requirements, the fleet purchaser is required to attest in writing, among other things, that they will maintain compliance with applicable laws for at least three years from the date of application for incentives or the duration of the incentive agreement, whichever is longer. Status: Signed by the Governor, Chapter 748, Statutes of 2021.

AB 992 (Cooley) California Clean Truck and Off-Road Vehicle and Equipment Technology Program**: This bill authorizes funding of peer-to-peer truck-sharing platform demonstrations under the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, which is administered by the State Air Resources Board, in conjunction with the State Energy Resources Conservation and Development Commission. The purpose of the program is to fund the development, demonstration, precommercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies. Status: Signed by the Governor, Chapter 624, Statutes of 2021.

AB 1036 (E. Garcia and Cervantes) California Manufacturing Emergency Preparedness Act of 2021: This bill would have authorized the California Infrastructure and Economic Development Bank to establish two new manufacturing loan and loan guarantee programs for the purpose of addressing the financial requirements of manufacturers when retooling, repurposing, and expanding production and distributing products necessary to prevent shortages of essential goods. Status: Vetoed by the Governor, 2021. The veto message states: *I am returning Assembly Bill 1036 without my signature. This bill would create two new programs to be administered by the California Infrastructure and Economic Development Bank: the California Manufacturing Disaster Loan Program to address manufacturing needs during and after the declaration of a state of emergency, and the California Manufacturing Competitiveness Loan Program for the purpose of attracting, retaining, and expanding manufacturing facilities and companies in the state.*

California's manufacturers stepped up to retool and utilize their facilities during the COVID-19 pandemic to help meet the state's needs. I am strongly supportive of California's manufacturing economy, a majority of which is fueled by small businesses. Together with the Legislature, in 2020 and 2021, we made unprecedented investments to support small businesses' access to capital and ongoing economic recovery. However, this bill does not provide sufficient detail to operationalize the loan programs, risking significant costs, delays, administrative challenges, and program design inefficiencies. Additionally, California has existing programs to support manufacturers. As this proposal would result in millions of dollars in ongoing costs and establish two new financing programs, it should be considered through the annual state budget process.

AB 1110 (R. Rivas) Zero-Emission Fleets: This bill would have established the position of the Clean Vehicles Ombudsperson for the purpose of gathering stakeholder input and supporting the Department of General Services (DGS) in developing and issuing statewide contracts or leveraged procurement agreements for use by public agencies to purchase zero-emission fleet vehicles, as defined. Status: Died without further action on the Assembly Inactive File, 2022.

AB 1322 (Robert Rivas and Muratsuchi) Aviation GHG Reduction Plan: This bill would have required the California Air Resources Board to develop, consistent with federal law, a plan to reduce aviation greenhouse gas emissions and help the state reach its goal of net-zero greenhouse gas emissions by 2045, including a sustainable fuels target for the aviation sector of at least 20% by 2030. Status: Vetoed by the Governor, 2022. The veto message states: *“This bill requires the California Air Resources Board (CARB), on or before July 1, 2024, to develop a plan to reduce greenhouse gas emissions through the production and use of sustainable aviation fuels. This bill would also require CARB, on or before July 1, 2024, to commence implementation of the plan to achieve these goals. While my Administration appreciates the intent of this bill, there are existing opportunities for credit generation from sustainable aviation fuel production under the state’s Low Carbon Fuel Standard.”*

AB 1951 (Grayson, Cooley, Cooper, Daly, Gipson, Petrie-Norris, Quirk-Silva, Ramos, Salas, Villapudua, and Wood) Sales and Use Tax Exemption on Manufacturing Equipment:** This bill would have replaced the current partial manufacturing sales tax exemption with a full exemption until January 1, 2028. Status: Vetoed by the Governor, 2022. The veto message states: *“This change would result in substantial revenue loss to local governments, which impacts essential health, safety, welfare, and transportation services. Assuming there are no changes in taxpayer behavior, local agencies are estimated to lose over half a billion dollars each year. As a strong supporter of California’s business climate and manufacturing industry, I agree with the intent of this bill to invest in California’s economy, incentivize innovation, and spur a manufacturing marketplace that is competitive nation-wide. However, we cannot ask our local governments to bear this loss in revenue.*

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined. The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant cost pressures, such as this measure, should be considered as part of the annual budget process. For these reasons, I cannot sign this bill. I look forward to working with the Legislature and stakeholders to propose something on this topic next year.”

AB 2057 (Carrillo) Good Movement Data:** This bill requires all maritime ports with annual cargo volumes of greater than 1,000,000 20-foot equivalent units to anonymously survey trucking companies every two years on the number of drivers classified as independent contractors and the number of drivers classified as employee drivers, as specified. The bill also requires the Department of Industrial Relations to create a web page on its internet website that contains links to existing registries and databases related to drayage trucks, as specified. Status: Signed by the Governor, Chapter 458, Statutes of 2022.

AB 2406 (Aguiar-Curry) Intermodal Marine Terminals:** This bill prohibits an intermodal marine container provider or terminal operator from imposing specified extended dwell charges on a motor carrier, beneficial cargo owner, or other intermediary relative to transactions involving cargo shipped

by intermodal transport under certain circumstances. These prohibitions are in addition to other charge prohibitions, including prohibitions on imposing per diem, detention, or demurrage charges. Status: Signed by the Governor, Chapter 868, Statutes of 2022.

AB 2737 (Carrillo) Air Pollution and Purchase of New Drayage Trucks**: This bill exempts a rental or leasing entity from increased workforce standard requirements applied to new vehicle fleet purchasers who utilize state grants or incentives. Status: Signed by the Governor, Chapter 213, Statutes of 2022.

AB 2798 (Fong) Freight Development Projects**: This bill, an urgency measure, until January 1, 2024, prohibits a local agency from denying a permit for a short-term freight transportation use, as defined, if the land is zoned for industrial or agricultural uses and the proposed use is in conformity with all applicable plans, programs, and ordinances. This prohibition applies through January 1, 2024. Further, if a governing body of a California port adopts real estate agreements, tariffs, ordinances, or other entitlements to allow for a short-term port freight transportation use or freight transportation infrastructure, the bill, until January 1, 2024, would provide that the use be considered an existing facility with negligible or no expansion of use for the purposes of CEQA. Status: Signed by the Governor, Chapter 535, Statutes of 2022.

AB 2840 (Reyes) Qualifying Logistics Use Projects**: This bill would have prohibited the County of Riverside, the County of San Bernardino, and cities within those counties from approving a new or expanded qualifying logistics use (100,000 or more square feet) that is adjacent to a “sensitive receptor” unless the city or county imposes a setback of at least 1,000 feet on the use, or alternative measures that will reduce the project’s impacts to public health and safety in a manner comparable to imposing the 1,000 foot setback. A “sensitive receptor” would have been defined as a residence, school, daycare facility, healthcare facility, community center, place of worship, incarceration facility, or public recreation facility. Status: Died without further action in the Senate Committee on Governance and Finance, 2022.

AB 2972 (JEDE) California Business Investment Services (CalBIS): This bill expands the role of CalBIS to include working with public and private investors who may want to make business investments in California. The bill also adds economic developer and workforce training partners to the list of local and regional groups that GO-Biz and CalBIS engage when helping businesses and investments grow and be successful in California. Status: Signed by the Governor, Chapter 599, Statutes of 2022.

AB 2974 (JEDE) Federal Infrastructure Funding and CA Small Businesses: This bill establishes a 25% small business participation goal in all contracts financed, in whole or in part, with specified funding in the Federal Infrastructure Investment and Jobs Act (IIJA). Departments may waive this requirement in cases where the federal law precludes small business participation or if compliance with these requirements would make the state’s application for a competitive program less competitive than other eligible applicants. Status: Signed by the Governor, Chapter 600, Statutes of 2022.

ACR 104 (Holden) Sister State Agreement with Punjab, Pakistan: This bill memorializes the intent and commitment of the California Legislature to extend an invitation to formalize a sister state relationship with the Province of Punjab, Pakistan, for the purpose of encouraging and facilitating

economic, educational, and cultural exchanges that further promote the prosperity of both regions and to improve the international understanding and goodwill between the regions. Status: Adopted, Resolution Chapter 9, 2022.

ACR 105 (Holden) Sister State Agreement with Syunik, Armenia: This bill memorializes the intent and commitment of the California Legislature to extend an invitation to formalize a sister state relationship with the Province of Syunik, Armenia, for the purpose of encouraging and facilitating economic, educational, and cultural exchanges that further promote the prosperity of both regions and to improve the international understanding and goodwill between the regions. Status: Adopted, Resolution Chapter 10, 2022.

ACR 140 (O'Donnell) State Action to Address Supply Chains: This resolution would have made legislative findings and declarations that the state is suffering a supply chain crisis, and that this crisis continues to be exacerbated by the COVID-19 pandemic. The resolution would have therefore urged the state's public agencies, departments, and local governments to provide all due and proper assistance to carriers, cargo owners, public seaports, terminals, workers, and facilities to facilitate the essential service of delivering goods to Californians. Status: Died without further action in Senate Rules, 2022.

AJR 29 (Mathis, Mia Bonta) Ports Congestion Relief: This resolution memorializes the Legislature's support and encouragement for the US Congress to pass legislation to alleviate and remedy the congestion of California's ports and ensure that the state's importing and exporting capabilities return to pre-pandemic levels. Status: Adopted, Resolution Chapter 168, Statutes of 2022.

AJR 30 (Gipson) Federal Funding of Freight: This resolution memorializes the California Legislature's request to the US Congress to pass and the US President to sign the legislation into law providing for a fair allocation of federal transportation funding for freight projects in California, specifically, and on the US Pacific Coast, generally, based on the volume of containerized freight moved. It further calls on the US Department of Transportation and all federal agencies implementing any federal funding statute or regulation for ports or multimodal freight transportation to provide a fair allocation to California and the US Pacific Coast, as specified. Status: Adopted, Resolution Chapter 149, Statutes of 2022.

SB 193 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill**: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to a venture capital program, California Regional Initiative for Social Enterprises Program, California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Small Business Development Technical Assistance Expansion Act of 2018, Local Government Budget Sustainability Fund, California Containerized Ports Interoperability Grant Program, California Competes Grant Program, California Inclusive Innovation Hub Program, Accelerate California: Inclusive Innovation Hub, and the California Investment and Innovation Program. Status: Signed by the Governor, Chapter 68, Statutes of 2022.

SB 542 (Limón) Sales and Use Tax Exemption**: This bill would have exempted the sale of a zero-emission truck from payment of sales tax, as specified. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 589 (Hueso) Alternative Vehicles and Vehicle Infrastructure**: This bill expands the content of an existing infrastructure charging station needs assessment, prepared by the State Energy Resources Conservation and Development Commission, to include statewide assessment of the electric vehicle charging infrastructure needs to include workforce development and training resources needed to meet the state goals of putting at least five million zero-emission vehicles in service by 2030 and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030. Status: Signed by the Governor, Chapter 732, Statutes of 2021.

SB 643 (Archuleta) Fuel Cell Electric Vehicle Fueling Infrastructure**: This bill requires the California Energy Resources Conservation and Development Commission to prepare a statewide assessment of the fuel cell electric vehicle fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles. Status: Signed by the Governor, Chapter 646, Statutes of 2021.

SB 671 (Gonzalez) Clean Freight Corridor Efficiency Assessment**: This bill establishes the Clean Freight Corridor Efficiency Assessment, to be developed by the California Transportation Commission, in coordination with other state agencies by December 1, 2023. In developing the Assessment, the bill requires the commission to identify freight corridors, or segments of corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles. The bill requires the commission to submit a report containing the assessment's findings and recommendations to be incorporated into the development of the California Transportation Plan and that the state freight plan include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified in the assessment. Status: Signed by the Governor, Chapter 769, Statutes of 2021.

SB 684 (Hueso) California Border Commission: As passed by the JEDE Committee this bill would have established the California Border Commission to serve as a public stakeholder body on cultural, economic, and environmental issues relating to California's border region, which is described as the Counties of Imperial and San Diego. In addition, this bill repealed the authority and duties of the California-Mexico Border Relations Council and reassigned them to the California Border Commission. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 936, Statutes of 2022.

SB 808 (Roth) Made in California Label: This bill would have modified the Made in California Program by removing the requirements that the finished product could lawfully use the "Made in USA" label, and that a qualified third party verifies that the company and labeled products meet the requirements of the state program. The bill retained the requirement for re-certification every three years; however, the company would self-certify its compliance. Enforcement of potential fraudulent activity under the Consumer Legal Remedies Act was also retained, which allows an individual or group of individuals to seek damages through the civil courts. Status: Died without further action in the Assembly Committee on Appropriations, 2022.

SB 1084 (Hurtado) Property Ownership by Foreign Entities**: This bill would have prohibited foreign governments from purchasing, acquiring, leasing, or holding an interest in California agricultural land, and would have required the California Department of Food and Agriculture to compile an annual report on foreign ownership of agricultural land, water rights, desalination facilities, energy production, energy storage, and energy distribution in the state. Status: Vetoed by the Governor, 2022. The veto message states: “*Federal law requires foreign governments to report interests in agricultural land to the United States Department of Agriculture (USDA), and USDA compiles this information annually into a public report. The additional data reporting required by this bill is beyond CDFA's purview and would create new and arduous responsibilities for the department.*”

SB 1104 (Gonzalez) Office of Freight: This bill would have established the Office of Freight within GO-Biz to serve as the coordinating entity for issues related to growth, competitiveness, and sustainability of freight movement. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1251 (Gonzalez) Office of the Zero-Emission Vehicle Equity Advocate**: This bill codifies the existing zero-emission vehicle unit within GO-Biz and names the unit the “Zero-Emission Vehicle Market Development Office.” The bill specifies that the unit will continue to be administered by a deputy director appointed by the Governor and charges the unit with the development of a shared, cross-agency definition of equity, which will be used to develop an equity action plan for the deployment of light-, medium-, and heavy-duty zero-emission vehicles, the supporting infrastructure, and workforce development. Until January 1, 2028, the unit is authorized to hire a Zero-Emission Vehicle Equity Advocate appointed by the Governor. Status: Signed by the Governor, Chapter 372, Statutes of 2022.

SB 1226 (Durazo) JPAs for Zero-Emission Transportation Facilities**: This bill authorizes a private, non-profit corporation that provides services for zero-emission transportation to enter into a joint powers agreement with a public agency to facilitate the development, construction, and operation of zero-emission transportation systems or facilities. Status: Signed by the Governor, Chapter 423, Statutes of 2022.

SB 1328 (McGuire) Prohibited Investments Russia and Belarus**: This bill, an urgency measure, would have prohibited new investments, including follow-on investments and renewals, to a prohibited company, a company that supplies military equipment to an aggressor country, or to a company the US government has designated as complicit in the aggressor countries’ war against Ukraine. An aggressor country is defined as Russia or Belarus. A prohibited company is a company domiciled in Russia or Belarus or that is owned or controlled by Russia or Belarus, as specified. Status: Dies without further action in the Assembly Committee on Public Employment and Retirement, 2022.

Section V – Enhancing Small Business Development and Operations

California's dominance in many economic areas is based, in part, on the significant role small businesses play in the state's \$3.1 trillion economy. Two separate studies, one by the US Census Bureau and another by the Kaufman Foundation, found that net job growth was strongest among businesses with less than 20 employees. Among other advantages, small businesses are crucial to the state's international competitiveness and are an important means for dispersing the positive economic impacts of trade within the California economy.

- In 2018 (most recent full data set), of the 4.4 million firms in California, there were 3.4 million nonemployer firms as compared to 954,632 employer firms.
- Total revenues for nonemployer sole proprietorships across all industry sectors were \$189 billion in receipts in 2017.
- Businesses with less than five employees are classified as microenterprises. In 2017, there were 473,641 microenterprises that had one or more employees.
- Microenterprises, including both nonemployer and up-to-5-employee businesses, comprise the single largest segment of the California business community, representing 89.0% (3.9 million) of all businesses in the state.

Microenterprises have many unique features and provide important benefits to local communities, according to a recent study from the Microenterprise Fund for Innovation, Effectiveness, Learning, and Dissemination (FIELD) at the Aspen Institute. These benefits include:

- Providing products and services tailored to meet local and neighborhood needs.
- Stimulating an inflow of revenues to and within local communities.
- Serving as catalysts for neighborhood reengagement.
- Revitalizing neighborhoods that may otherwise have vacant storefronts.
- Providing role models and support for future entrepreneurs.

Excluding sole proprietorships, businesses with less than 20 employees comprise over 88.6% of all businesses and employ approximately 17.4% of all workers. Businesses with less than 100 employees represent 97.3% of all businesses and employ 34.5% of the workforce.

Chart 12, on the following page, displays 2018 data (the most recent full set of data) on California employer businesses, including payrolls, employment, and a number of firms, which may be comprised of one or more establishments.

Chart 12 - 2018 Business Profile by Size <i>(excludes nonemployer firms)</i>						
Area Description	Employment Size	Number of Firms	Percent of Firms	Employees	Percent of Jobs	Annual Payroll (\$1,000)
United States	Total	6,075,937		130,881,471		\$7,097,310,272
California	Total	779,825	12.8% U.S. Firms	15,223,664	11.6% U.S. Jobs	\$1,020,958,926
United States	0-4	3,757,163	61.8% of U.S. Firms	5,967,955	4.5% of U.S. Jobs	\$287,379,518
California	0-4	485,387	62.2% of CA Firms	746,240	4.9% of CA Jobs	\$46,663,550
United States	<20	5,411,180	89.0% of U.S. Firms	21,337,272	16.3% of U.S. Jobs	\$898,874,051
California	<20	692,139	88.7% of CA Firms	2,650,204	17.4% of CA Jobs	\$130,748,308
United States	0-99	5,962,057	98.1% of U.S. Firms	42,918,809	32.7% of U.S. Jobs	\$1,859,572,577
California	0-99	759,654	97.4% of CA Firms	5,214,752	34.2% of CA Jobs	\$261,490,973
United States	<500	6,055,421	99.6% of U.S. Firms	61,244,031	46.7% of U.S. Jobs	\$2,819,089,905
California	<500	773,386	99.1% of CA Firms	7,339,390	48.2% of CA Jobs	\$395,286,015
United States	500+	20,516	0.33% of U.S. Firms	69,637,440	53.2% of U.S. Jobs	\$4,278,220,367
California	500+	6,439	0.82% of CA Firms	7,884,274	51.7% of CA Jobs	\$625,672,911
Source: https://www.census.gov/data/tables/2018/econ/nonemployer-statistics/2018...						

Excluding sole proprietorships, businesses with less than 20 employees comprise over 88.6% of all businesses and employ approximately 17.4% of all workers. Businesses with less than 100 employees represent 97.3% of all businesses and employ 34.5% of the workforce.

These nonemployer and small employer firms create jobs, generate taxes, support important industry sectors, and revitalize communities. While their small size allows them to be more flexible in meeting niche foreign and domestic market needs, it also results in certain market challenges. These challenges include having difficulty meeting the procedural requirements of the state's complex regulatory structure and the traditional credit and collateral requirements of mainstream financial institutions. Specialized technical assistance, access to credit enhancements, and targeting state procurement activities help many small businesses overcome or at least minimize these difficulties. Microenterprises have many unique features and provide important benefits to local communities,

The 2012 Survey of Business Owners

In August 2015, the US Census Bureau published initial data from the 2012 Survey of Business Owners. The last survey was done in 2007. While the data significantly trails real-time, it is the most

comprehensive source for tracking trends in entrepreneurship, including ownership by women and individuals of color.

Chart 13 – Gender Differences in US Businesses on the following page shows selected data from the 2012 Survey of Small Business Owners. Among other findings, the data show a 27.5% increase in woman-owned businesses between 2007 and 2012, as compared to a 7.9% increase in businesses owned by men and a -45.8% decrease in firms owned equally by men and women. Woman-owned businesses also experienced the greatest increases in the number of people they employed and in wages paid.

Chart 13 – Gender Differences in US Businesses: Percent Change Between 2007 and 2012			
	Percent Change 2007-2012, Woman- Owned Firms	Percent Change 2007-2012, Man-and- Woman-Owned Firms	Percent Change 2007-2012, Man- Owned Firms
Total US Firms	27.5%	-45.8%	7.9%
Receipts from All Firms (<i>employer and nonemployer</i>)	35.1%	6.7%	33.8%
Employer Firms	15.7%	-25.8%	5.3%
Receipts from Employer Firms	35.4%	13.2%	34.9%
Employment	19.4%	-11.9%	11.5%
Payroll	35.3%	-0.9%	25.8%
Source: National Women’s Business Council			

States with the highest percentage of women-owned firms included the District of Columbia, Georgia, Maryland, New Mexico, and Florida. Delaware, Alaska, North Dakota, Maine, and New Jersey were the states where woman-owned firms collected the highest amount in receipts.

In California, business ownership by women was up 27% from 2007, with 1.3 million firms, which was the highest number of firms among all states. Woman-owned businesses in California represented 13.4% of all woman-owned firms in the US in 2012. As a comparison, in Texas, woman-owned businesses represented 8.8%; Florida, 8.2%; New York, 7.3%; and Illinois, 4.2%.

California also had the highest number of Hispanic and Asian American woman-owned firms. For businesses owned by Black women, Georgia had the largest number of firms, and California had the fifth largest number.

A significant majority (90%) of woman-owned firms in California were legally organized as sole proprietorships in 2012 and had no employees. The 10% of woman-owned businesses that did have employees in 2012 employed over one million workers and paid \$37 billion in wages (a 21.7% increase from 2007).

Woman-owned businesses in California generated \$201.7 billion in receipts in 2012. The industry sectors which included the highest numbers of woman-owned firms included:

- 247,000 businesses in the other services sector (\$8.4 billion in revenues in 2012);
- 217,000 businesses in the health care and social assistance sector (\$18.6 billion);
- 215,000 businesses in the professional, scientific, and technical services sector (\$22 billion);

- 137,000 businesses in the administrative support and waste management sector (\$11.5 billion); and
- 120,000 businesses in the retail trade sector (\$27.7 billion)

Chart 14 – The Comparison of Business Growth by Race, Ethnicity, and Veterans displays additional information from the 2012 Survey of Business Owners. The largest percentage changes in business ownership were by Hispanic women, where the number of firms grew by 87.3% between 2007 and 2012. As a comparison, male Hispanic-owned firms grew by 39.3%.

According to the Ewing Marion Kauffman Foundation, women entrepreneurs have unique skill sets that set them apart from other business owners and set them up for success.

Among other advantages, the Kauffman Foundation states that women entrepreneurs have a more nuanced understanding of a business risk/reward profile. On average, women are more comfortable with financial risks but more sensitive about risks that may seem foolhardy. The Kauffman Foundation also believes that there is a correlation between a rise in women entrepreneurs and increased business returns and payout ratios.

Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to the enhancement of small business development and operations. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in **Section X**.

AB 14 (Aguiar-Curry) Broadband Service to Underserved Areas:** This bill extends the California Advanced Services Fund program to encourage the deployment of broadband service to unserved Californians, and revising the surcharge collection methodology for interconnected Voice over Internet Protocol service and the Deaf and Disabled Telecommunications Program. Status: Signed by the Governor, Chapter 658, Statutes of 2021.

AB 41 (Wood) Broadband Infrastructure Deployment:** This bill requires the Department of Transportation to ensure that the construction of certain projects located in priority areas includes the installation of conduits capable of supporting fiber optic communication cables. Status: Signed by the Governor, Chapter 659, Statutes of 2021.

AB 45 (Aguiar-Curry) Industrial Hemp Products:** This bill establishes a regulatory framework for industrial hemp under the Sherman Food, Drug, & Cosmetic Law, also referred to as the Sherman Law. The bill requires manufacturers of products containing industrial hemp or hemp products to

Chart 14 – Comparison of California Business Growth by Race, Ethnicity, and Veterans	
Business Ownership	Percent Change 2007-2012, Number of All Firms
Asian American Women	44.3%
Asian American Men	25.7%
Black Women	67.5%
Black Men	18.8%
Hispanic Women	87.3%
Hispanic Men	39.3%
White Women	10.1%
Veteran Women	29.6%
Veteran Men	7.7%
Source: 2012 Survey of Business Owners	

obtain a process food registration and comply with good manufacturing practices. Status: Signed by the Governor, Chapter 576, Statutes of 2021.

AB 61 (Gabriel) Business Pandemic Relief**: This bill authorizes the Department of Alcoholic Beverage Control to permit licensees to exercise license privileges in an expanded license area authorized pursuant to a COVID-19 Temporary Catering Authorization, as specified. Further, the bill also authorizes the department to extend the period of time during which the COVID-19 Temporary Catering Authorization is valid beyond 365 days if the licensee has filed a pending application with the department for the permanent expansion of their premises before the 365-day time period expires. In addition, the bill, for a period of one year after the end of the COVID-19-related state of emergency, or until January 1, 2024, whichever occurs first, authorizes a permitted food facility within any local jurisdiction that is subject to retail food operation restrictions related to a COVID-19 public health response to prepare and serve food as a temporary satellite food service without obtaining a separate satellite food service permit or submitting written operating procedures, as specified. Status: Signed by the Governor, Chapter 651, Statutes of 2021.

AB 106 (Salas) Regions Rise Grant Program: This bill would have established the Regions Rise Grant Program, administered by the Governor's Office of Planning and Research, for the purpose of supporting inclusive, cross-jurisdictional, and innovative processes that lead to inclusive strategies to address barriers and challenges confronting communities in creating economic prosperity for all. While not enacted, the bill was used as the model for the Community Economic Resiliency Fund Program. Status: Died without further action in the Senate Committee on Business, Professions and Economic Development, 2022.

AB 176 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of economic development appropriations in the 2022-23 Budget, including, but not limited to, the California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Competes Grant Program, and the motion picture film credit. Status: Signed by the Governor, Chapter 256, Statutes of 2022.

AB 194 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of tax provisions reflected in the 2022-23 Budget, including, but not limited to the Main Street Tax Credit. Status: Signed by the Governor, Chapter 55, Statutes of 2022.

AB 240 (Rodriguez) Local Health Department Workforce**: This bill would have required the California Department of Public Health to conduct an evaluation of the adequacy of the local health department infrastructure and to make recommendations for future staffing, workforce needs, and resources, in order to accurately and adequately fund local public health. Status: Vetoed by the Governor, 2022. Implementation of the bill would have been contingent upon sufficient funding from state, federal, or private funding to support an advisory group and specified evaluation contract. The veto message stated: *“California is a model for the nation in our public health preparedness, response, and ongoing investment. My administration is committed to transforming our state's public health system to reduce health disparities and improve health equity - all reasons why the Budget includes \$300 million General Fund for public health infrastructure, which includes \$200 million for local health departments to build up core public health functions, while also helping to close*

workforce gaps. I believe we should turn our focus to utilizing the resources received in the Budget for this transformation, which calls for immediate action on recruitment and hiring to support a modern and innovative public health system.”

AB 475 (Muratsuchi) Japan Trade Office: This bill would have required, subject to appropriation, the Governor’s Office of Business and Economic Development to establish an international trade and investment desk in Tokyo, Japan, by January 1, 2024. The bill specifies Governor’s Office of Business and Economic Development may contract with the Japan External Trade Organization to provide office and meeting space for the trade and investment desk. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 511 (Muratsuchi) Securities Transactions and Crowd Funding:** This bill exempts crowdfunded equity offerings from certain state securities qualifications requirements under specified conditions and requires a court to award reasonable attorney’s fees and costs to a prevailing purchaser or seller for specified violations of state securities law. Status: Signed by the Governor, Chapter 617, Statutes of 2021.

AB 538 (Muratsuchi and Friedman) California Aerospace Commission: This bill would have enacted the California Aerospace and Aviation Act of 2021 and established a 15-member California Aerospace Commission within the administrative organization of the Governor’s Office of Business and Economic Development. The purpose of the Commission was to serve as a central point of contact for businesses engaged in the aerospace industry and to support the health and competitiveness of this industry in California. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 630 (Arambula) Online Jobs and Economic Support Resource Grant Program: This bill would have established the Online Jobs and Economic Support Resource Grant Program for the purpose of providing competitively awarded grants to eligible applicants to support new or existing online jobs resource platforms targeted toward low-income communities. The new grant program would have been administrated through the Governor’s Office of Business and Economic Development, subject to sufficient funds being appropriated. Eligible applicants would have included nonprofits, cooperatives, public benefit corporations, and local governments. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 661 (Bennett) Recycled Content and State Procurement:** This bill modifies the State Agency Buy Recycled Campaign (SABRC). Among other changes, the bill requires:

1. The Department of Resources Recycling and Recovery (CalRecycle), with the concurrence of the Department of General Services (DGS) and in consultation with impacted agencies, to update the list of identified products and update the minimum recycled content percentages commencing January 1, 2026, and every three years thereafter;
2. A state agency to purchase recycled products instead of nonrecycled products whenever recycled products are available at no more than 10% greater total cost than nonrecycled products, as specified;
3. CalRecycle to update the list of products and minimum recycled content percentages, as specified
4. DGS to maintain procedures for complying with SABRC, as specified.

Status: Signed by the Governor, Chapter 517, Statutes of 2022.

AB 676 (Holden) Franchises**: This bill modifies a range of provisions in the California Franchise Relations Act and the Franchise Investment Law, including the establishment of new requirements and prohibitions for franchise agreements. Status: Signed by the Governor, Chapter 728, Statutes of 2022.

AB 680 (Burke) California Jobs Plan Act of 2021: This bill enacts the California Jobs Plan Act of 2021, which requires the California Workforce Development Board to work with the Labor Agency to update, by July 1, 2025, Greenhouse Gas Reduction Fund (GGRF) funding guidelines to ensure that all applicants to GGRF-funded grant programs meet certain standards. Among other requirements, the updated guidelines are required to include fair and responsible employer standards, inclusive procurement policies, and preferences to applicants that demonstrate a partnership with an educational institution or training program targeting residents of under-resourced, tribal, and low-income communities, as defined, in the same region as the proposed project and to applicants that demonstrate the creation of high-quality jobs, as defined. Status: Signed by the Governor, Chapter 746, Statutes of 2021.

AB 778 (E. Garcia) California Grown**: This bill modifies existing procurement requirements to, instead, require a California state-owned or state-run institution that purchases agricultural food products, as defined, to implement necessary practices to achieve a goal of ensuring that at least 60% of the agricultural food products that it purchases in a calendar year are grown or produced in the state by December 31, 2025. The bill specifies that this goal does not apply to local educational agencies and the segments of public postsecondary education. Status: Signed by the Governor, Chapter 576, Statutes of 2022.

AB 794 (Carrillo) Purchase of New Drayage and Short-haul Trucks**: This bill, beginning with the 2022–23 fiscal year, and each fiscal year thereafter, limits participation in specified state incentive programs to only those fleet purchasers of new drayage and short-haul trucks that can demonstrate that they do not have any applicable law violation at the time of applying for the incentive, is not on the list maintained by the Division of Labor Standards Enforcement under Section 2810.4 of the Labor Code, and attests it will retain direct control over the manner and means for the performance of any individual using or driving the vehicle. As part of meeting these requirements, the fleet purchaser is required to attest in writing, among other things, that they will maintain compliance with applicable laws for at least three years from the date of application for incentives or the duration of the incentive agreement, whichever is longer. Status: Signed by the Governor, Chapter 748, Statutes of 2021.

AB 844 (Grayson) Green Empowerment Zone: This bill establishes the Green Empowerment Zone for the Northern Waterfront area of the County of Contra Costa for the purpose of building upon the comparative advantage provided by the regional concentration of highly-skilled energy industry workers by prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private sector investment in the renewable energy sector. Status: Signed by the Governor, Chapter 377, Statutes of 2021.

AB 888 (Levine) Mobile Slaughter Facilities**: This bill authorizes small- and medium-scale livestock producers to utilize mobile slaughter operations, providing more options to safely harvest goats, sheep, and swine on the ranch where they are raised. Status: Signed by the Governor, Chapter 378, Statutes of 2021.

AB 992 (Cooley) California Clean Truck and Off-Road Vehicle and Equipment Technology Program:** This bill authorizes funding of peer-to-peer truck-sharing platform demonstrations under the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, which is administered by the State Air Resources Board, in conjunction with the State Energy Resources Conservation and Development Commission. The purpose of the program is to fund the development, demonstration, precommercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies. Status: Signed by the Governor, Chapter 624, Statutes of 2021.

AB 1036 (E. Garcia and Cervantes) California Manufacturing Emergency Preparedness Act of 2021: This bill would have authorized the California Infrastructure and Economic Development Bank to establish two new manufacturing loan and loan guarantee programs for the purpose of addressing the financial requirements of manufacturers when retooling, repurposing, and expanding production and distributing products necessary to prevent shortages of essential goods. Status: Vetoed by the Governor, 2021. The veto message states: *This bill would create two new programs to be administered by the California Infrastructure and Economic Development Bank: the California Manufacturing Disaster Loan Program to address manufacturing needs during and after the declaration of a state of emergency, and the California Manufacturing Competitiveness Loan Program for the purpose of attracting, retaining, and expanding manufacturing facilities and companies in the state.*

California's manufacturers stepped up to retool and utilize their facilities during the COVID-19 pandemic to help meet the state's needs. I am strongly supportive of California's manufacturing economy, a majority of which is fueled by small businesses. Together with the Legislature, in 2020 and 2021, we made unprecedented investments to support small businesses' access to capital and ongoing economic recovery. However, this bill does not provide sufficient detail to operationalize the loan programs, risking significant costs, delays, administrative challenges, and program design inefficiencies.

Additionally, California has existing programs to support manufacturers. As this proposal would result in millions of dollars in ongoing costs and establish two new financing programs, it should be considered through the annual state budget process.

AB 1037 (Grayson) Digital Construction Management Technologies: This bill requires the Department of Transportation to develop guidance, policies, and procedures for the use of digital construction management technologies for civil infrastructure projects for inclusion in the State Administrative Manual and the State Contracting Manual by January 1, 2023. The bill requires that the guidance include information about how certain state department projects would implement a requirement that a bid or proposal for a civil infrastructure project would include digital construction technologies. Status: Signed by the Governor, Chapter 493, Statutes of 2022.

AB 1106 (Cervantes and Reyes) Small Business Workforce Development: This bill would have established a pilot project through the Employment Training Panel for the purpose of enhancing the ability of a regionally-focused statewide business training center network to work hand-in-hand with business leaders, small business service providers, as well as other workforce partners, to get people

back to work. The 2021-22 state budget included a \$15 million appropriation that aligns with this request. Status: Held under Submission in the Senate Committee on Appropriations, 2021.

AB 1146 (Cervantes) Small Business Rent Relief: This bill would have authorized the establishment of the California Rent Forgiveness and Tax Relief Program for the purpose of providing grants to qualified counties to implement local rent forgiveness and tax relief programs. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

AB 1171 (Arambula) San Joaquin Valley Partnership: As passed by JEDE, this bill would have codified the San Joaquin Valley Partnership, a public/private partnership established for the purpose of supporting regional collaboration among individuals and public and private entities committed to improving the quality of life in the San Joaquin Valley. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 626, Statutes of 2021.

AB 1261 (Burke) Greenhouse Gas Emission Incentive Programs:** This bill requires the Air Resources Board to establish a process to identify any overlap among any incentive programs, as defined, that share the same objectives and to evaluate data on the behavioral changes that result from each of its incentive programs. The state is required to complete this work within three years of receiving an appropriation from the Legislature for these purposes. Status: Signed by the Governor, Chapter 714, Statutes of 2021.

AB 1287 (Bauer-Kahan) Pink Tax:** This bill prohibits substantially similar products marketed to different genders from being priced differently. Status: Signed by the Governor, Chapter 555, Statutes of 2022.

AB 1571 (JEDE) Small Business Regulatory Relief: This bill would have delivered regulatory relief to small businesses during a state of emergency by either exempting them from compliance until after the state of emergency or, in the case the regulation is necessary to address the emergency or a serious and immediate health and safety issue, providing small businesses with sufficient time to learn about and implement the new regulation. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1572 (JEDE) New Market Tax Credit: This bill would have established a state New Market Tax Credit to assist community development entities in raising capital to invest in small businesses in low-income communities. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

AB 1573 (JEDE) Small Business Retention Program: This bill would have established a supplemental grant program within the Small Business Technical Assistance Expansion Program for the purpose of supporting local small business retention programs. Status: Vetoed by the Governor, 2022. The veto message states: "*Small businesses are critical drivers of California's economic growth and building wealth in communities. That is why the 2022-23 State Budget invests an additional \$6 million this year and \$26 million ongoing to permanently extend SB TAP. The budget also provides \$20 million to expand the number of innovation Hubs and \$8 million to support Women's Business Centers. These investments reflect the shared commitment of my administration and the Legislature to*

invest in small businesses. However, this bill creates a new supplemental grant program not accommodated for in the budget.

"With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. The Legislature sent measures with potential costs of well over \$20 billion in one-time spending and more than \$10 billion in ongoing commitments not accounted for in the Budget Act. Creating new grant programs and expanding eligibility of existing programs should be considered and accounted for as part of the annual budget process."

AB 1951 (Grayson, Cooley, Cooper, Daly, Gipson, Petrie-Norris, Quirk-Silva, Ramos, Salas, Villapudua, and Wood) Sales and Use Tax Exemption on Manufacturing Equipment**: This bill would have replaced the current partial manufacturing sales tax exemption with a full exemption until January 1, 2028. Status: Vetoed by the Governor, 2022. The veto message states: *"This change would result in substantial revenue loss to local governments, which impacts essential health, safety, welfare, and transportation services. Assuming there are no changes in taxpayer behavior, local agencies are estimated to lose over half a billion dollars each year. As a strong supporter of California's business climate and manufacturing industry, I agree with the intent of this bill to invest in California's economy, incentivize innovation, and spur a manufacturing marketplace that is competitive nation-wide. However, we cannot ask our local governments to bear this loss in revenue.*

"With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined. The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant cost pressures, such as this measure, should be considered as part of the annual budget process. For these reasons, I cannot sign this bill. I look forward to working with the Legislature and stakeholders to propose something on this topic next year."

AB 2026 (Friedman) Recycling Plastic Packaging**: This bill would have required an e-commerce shipper that ships purchased products in or into California to reduce by an unspecified amount the total weight and number of units of plastic packaging and expanded and extruded polystyrene by 2030, as specified. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2269 (Grayson) Digital Financial Asset Business Regulation**: This bill would have established a licensing and regulatory framework, administered by the Department of Financial Protection and Innovation, for digital financial asset activity. Status: Vetoed by the Governor, 2022. The veto message states: *"Digital assets are becoming increasingly popular in our financial ecosystem, with more consumers buying and selling cryptocurrencies each year. I share the author's intent to protect Californians from potential financial harm while providing clear rules for crypto-businesses operating in this state.*

"On May 4, 2022, I issued Executive Order N-9-22 to position California as the first state to establish a transparent regulatory environment that both fosters responsible innovation, and protects consumers who use digital asset financial services and products - all within the context of a rapidly evolving federal regulatory picture. Over the last several months, my Administration has conducted extensive research and outreach to gather input on approaches that balance the benefits and risk to consumers,

harmonize with federal rules, and incorporate California values such as equity, inclusivity, and environmental protection.

“It is premature to lock a licensing structure in statute without considering both this work and forthcoming federal actions. A more flexible approach is needed to ensure regulatory oversight can keep up with rapidly evolving technology and use cases, and is tailored with the proper tools to address trends and mitigate consumer harm. Additionally, standing up a new regulatory program is a costly undertaking, and this bill would require a loan from the general fund in the tens of millions of dollars for the first several years. Such a significant commitment of general fund resources should be considered and accounted for in the annual budget process.

“I am committed to working collaboratively with the Legislature to achieve the appropriate regulatory clarity once federal regulations come into sharper focus for digital financial assets, while ensuring California remains a competitive place for companies to invest and innovate.”

AB 2314 (Petrie-Norris) Predatory Lending and SSBCI Programs: This bill would have established a task force to review and the state’s administration of the Small Business Loan Guarantee Program and the California Capital Access Program make recommendations related to specified fair lending practices. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2342 (Cervantes) Community Economic Resilience Fund Program: This bill updates the \$600 million California Economic Resilience Fund Program to reflect best economic development practices and provide statutory assurances of inclusive regional community development plans. Status: Signed by the Governor, Chapter 568, Statutes of 2022.

AB 2433 (Grayson) Predatory Lending: This bill clarifies the authority of the Department of Financial Protection and Innovation to bring actions against a financial institution whether the violation is ongoing or has ceased. Status: Signed by the Governor, Chapter 188, Statutes of 2022.

AB 2784 (Ting) Postconsumer Thermoform Recycled Plastic:** This bill would have established minimum recycled content requirements for thermoform plastic containers and allowed CalRecycle to collect administrative penalties if a producer does not meet the minimum content requirements. Status: Vetoed by the Governor, 2022. The veto message states: *“I strongly support efforts to advance California's transition to a circular economy. Earlier this year, I signed SB 54, which is the most significant overhaul of California's plastic and packaging recycling policy in state history, and goes further than any other state on cutting plastics production at the source. However, I am concerned this bill imposes confusing requirements in conflict with some of SB 54's key provisions, which could unfairly result in duplicative fees and penalties for the same material.*

“SB 54 was specifically designed to create a comprehensive regulatory framework for all recycled materials, in lieu of piecemeal approaches for individual products. With this objective in mind, we should allow CalRecycle to begin its work to implement the reforms required by SB 54 before contemplating any new recycling requirements for individual materials.”

AB 2873 (Jones-Sawyer) Supplier and Contractor Diversity: Requires certain housing sponsors who receive a Low Income Housing Tax Credit allocation on or after January 1, 2024 to annually report on the diversity of the suppliers and contractors, as specified. Status: Signed by the Governor, Chapter 316, Statutes of 2022.

SB 44 (Allen) California Environmental Quality Act**: This bill establishes, until January 1, 2025, expedited administrative and judicial review of environmental review and approvals granted for “environmental leadership transit projects” located within the County of Los Angeles that meet specified requirements. Status: Signed by the Governor, Chapter 633, Statutes of 2021.

SB 54 (Allen) Recycling Content Standards**: This bill enacts the Plastic Pollution Prevention and Packaging Producer Responsibility Act, which sets recycled/compostable content standards for producers of covered materials sold, offered for sale, imported, or distributed in the state, as follows:
(1) Not less than 30% of covered material on and after January 1, 2028.
(2) Not less than 40% of covered material on and after January 1, 2030.
(3) Not less than 65% of covered material on and after January 1, 2032.
Status: Signed by the Governor, Chapter 75, Statutes of 2022.

SB 113 (Senate Budget Committee) 2021-22 Economic Relief Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to economic relief actions reflected in the 2021-22 Budget, including, but not limited to those related to the California Small Business COVID-19 Relief Grant Program, federal Hard-Hit Small Businesses, Nonprofits, and Venues Act, and the federal Small Business Relief Act. Status: Signed by the Governor, Chapter 3, Statutes of 2022.

SB 151 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to the California Innovation Hub Program, California Small Business COVID-19 Relief Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Venues Grant Program, California Small Business Development Technical Assistance Expansion Program, and the California Competes Grant Program. Status: Signed by the Governor, Chapter 74, Statutes of 2022.

SB 189 (Senate Budget Committee) 2021-22 State Government Trailer Bill**: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to the Chief Equity Officer, Administrative Procedure Act, County Assessors’ Grant Program, Office of Community Partnerships and Strategic Communications. Status: Signed by the Governor, Chapter 48, Statutes of 2022.

SB 193 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill**: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to a venture capital program, California Regional Initiative for Social Enterprises Program, California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Small Business Development Technical Assistance Expansion Act of 2018, Local Government Budget Sustainability Fund, California Containerized Ports Interoperability Grant Program, California Competes Grant Program, California Inclusive Innovation Hub Program, Accelerate California: Inclusive Innovation Hub, and the California Investment and Innovation Program. Status: Signed by the Governor, Chapter 68, Statutes of 2022.

SB 314 (Weiner) Liquor Licenses**: This bill authorizes the Department of Alcohol Beverage Control (ABC) to, for 365 days from the date the COVID-19 state of emergency is lifted, allow licensees to continue to exercise license privileges in an expanded licensed area, as specified. In addition, this bill allows a licensed manufacturer to share a common licensed area with multiple licensed retailers, as specified. Further, this bill increases the number of times, from 24 to 36 in a calendar year, that ABC can issue a caterer's permit for use at any one location. Status: Signed by the Governor, Chapter 656, Statutes of 2021.

SB 372 (Leyva) Medium- and Heavy-Duty Fleet Purchasing**: This bill requires the California Pollution Control Financing Authority to establish a program to make financing tools and nonfinancial supports available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. Status: Signed by the Governor, Chapter 639, Statutes of 2021.

SB 485 (Portantino) Motion Picture Tax Credit Extension**: This bill, a tax levy, would have recast the Film and TV Tax Credit 3.0 Program by requiring applicants to submit a diversity workplan, as specified, expanding the definition of qualified expenditures for the soundstage credit to include the qualified expenditures paid or incurred by a qualified taxpayer for all taxable years during the production of qualified motion picture instead of during just the "taxable year;" and modifies the sunset provisions of Program 3.0 to be either the enactment of legislation in as part of the 2023 Budget or June 30, 2025. Status: Died without further action in the Assembly, 2022.

SB 490 (Caballero) Community Anti-Displacement and Preservation Program**: This bill enacts the Buy American Food Act to require public institutions, as defined, that receive federal meal reimbursement funding to only purchase agricultural food products grown, packed, or processed domestically, unless the bid or price of the nondomestic agricultural food product is more than 25% lower than the bid or price of the domestic agricultural food product, the quality of the domestic agricultural food product is inferior to the quality of the agricultural food product grown, packed, or produced nondomestically, or the agricultural food product is not produced or manufactured domestically in sufficient and reasonably available quantities of a satisfactory quality to meet the needs of the public institution. Status: Signed by the Governor, Chapter 602, Statutes of 2022.

SB 542 (Limón) Sales and Use Tax Exemption**: This bill would have exempted the sale of a zero-emission truck from payment of sales tax, as specified. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 625 (Caballero) California Investment and Innovation Program: This bill would have established the California Investment and Innovation Program, administered through the IBank, for the purpose of providing an ongoing source of revenues to community development financial institutions, which are community-based organizations that are certified by the US Treasury to meet the needs of individuals, businesses, and communities who are underserved by traditional financial institutions. The provisions in the bill were adopted as part of the 2022-23 Budget. Status: Died without further action in the Assembly Committee on Appropriations, 2022.

SB 671 (Gonzalez) Clean Freight Corridor Efficiency Assessment**: This bill establishes the Clean Freight Corridor Efficiency Assessment, to be developed by the California Transportation

Commission, in coordination with other state agencies by December 1, 2023. In developing the Assessment, the bill requires the commission to identify freight corridors, or segments of corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles. The bill requires the commission to submit a report containing the assessment's findings and recommendations to be incorporated into the development of the California Transportation Plan and that the state freight plan include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified in the assessment. Status: Signed by the Governor, Chapter 769, Statutes of 2021.

SB 684 (Hueso) California Border Commission: As passed by the JEDE Committee this bill would have established the California Border Commission to serve as a public stakeholder body on cultural, economic, and environmental issues relating to California's border region, which is described as the Counties of Imperial and San Diego. In addition, this bill repealed the authority and duties of the California-Mexico Border Relations Council and reassigned them to the California Border Commission. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 936, Statutes of 2022.

SB 777 (Bradford) California Jump Start: This bill would have enacted the California Jumpstart Act, which directed the California Pollution Control Financing Authority to allocate up to \$300 million in credits against the gross premiums tax to investors in relief funds, as defined. Status: Held in the Assembly Committee on Revenue and Taxation, 2022.

SB 808 (Roth) Made in California Label: This bill would have modified the Made in California Program by removing the requirements that the finished product could lawfully use the "Made in USA" label, and that a qualified third party verifies that the company and labeled products meet the requirements of the state program. The bill retained the requirement for re-certification every three years; however, the company would self-certify its compliance. Enforcement of potential fraudulent activity under the Consumer Legal Remedies Act was also retained, which allows an individual or group of individuals to seek damages through the civil courts. Status: Died without further action in the Assembly Committee on Appropriations, 2022.

SB 851 (Portantino) Small Business Relief Act**: This bill provides, for taxable years beginning after January 1, 2022, and before January 1, 2026, that, the term "net tax" shall be increased by the amount of Pass-Through Entity (PTE) Credit that reduced net tax in that taxable year. The Assembly Revenue and Taxation Committee analysis provides a simplified explanation which states: "Put simply, this bill would "count" the PTE credit amount as part of the taxpayer's California tax liability for purposes of the OSTC calculation. This, in turn, would place the taxpayer in the same position they would have been in had they paid the PTE taxes directly at the individual level. Status: Signed by the Governor, Chapter 705, Statutes of 2022.

SB 951 (Durazo) Paid Family Leave**: This bill provides a one-year extension (1/1/2024 to 1/1/2025) to the existing wage replacement rates for the State Disability (SDI) and Paid Family Leave (PFL) programs. The bill also revises the formulas for determining benefits under both programs to provide an increased wage replacement rate and on January 1, 2024 repeals the wage ceiling for contributions into the SDI fund, thereby making all wages subject to the SDI contribution rate. Status: Signed by the Governor, Chapter 878, Statutes of 2022.

SB 972 (Gonzales) Street Vendors**: This bill adds street vendors to the California Food Retail Code to allow certified street vendors to sell home prepared food, as specified. Status: Signed by the Governor, Chapter 489, Statutes of 2022.

SB 1020 (Laird) Clean Energy, Jobs, and Affordability Act of 2022**: This bill sets a number of new goals and updates existing goals on the use of renewable energy resources and zero-carbon resources, including supplying 90% of all retail sales of electricity to California end-use customers by December 31, 2035; 95% of all retail sales of electricity to California end-use customers by December 31, 2040; and 100% of electricity procured to serve all state agencies by December 31, 2035 (previously set at 2045). The bill also removes the exclusion of counting toward the state's renewable and zero-emission generation goals, energy produced at Diablo Canyon, as specified. Status: Signed by the Governor, Chapter 361, Statutes of 2022.

SB 1013 (Atkins) Wine Bottle Recycling**: This bill requires a wine direct shipper permit-holder, before sending any shipment to a resident of California, to register with the Department of Resources Recycling and Recovery as a beverage manufacturer and distributor under the California Beverage Container Recycling and Litter Reduction Act. Status: Signed by the Governor, Chapter 610, Statutes of 2022.

SB 1084 (Hurtado) Property Ownership by Foreign Entities**: This bill would have prohibited foreign governments from purchasing, acquiring, leasing, or holding an interest in California agricultural land, and would have required the California Department of Food and Agriculture to compile an annual report on foreign ownership of agricultural land, water rights, desalination facilities, energy production, energy storage, and energy distribution in the state. Status: Vetoed by the Governor, 2022. The veto message states: *“Federal law requires foreign governments to report interests in agricultural land to the United States Department of Agriculture (USDA), and USDA compiles this information annually into a public report. The additional data reporting required by this bill is beyond CDFA's purview and would create new and arduous responsibilities for the department.”*

SB 1126 (Cortese) Retirement Plans for Microbusinesses**: This bill authorizes employers with five or less employees to provide state-based retirement plans through CalSavers. Status: Signed by the Governor, Chapter 192, Statutes of 2022.

SB 1136 (Portantino) CEQA Expedited Environmental Review**: This bill expands the environmental review process for California Air Resources Board to apply the same standards that apply to regulations related to the installation of pollution control equipment or a performance standard to regulations relating to the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants. Status: Vetoed by the Governor, 2022. The veto message states: *“I share the author's goal in seeking ways to streamline and accelerate critical projects to reduce greenhouse gas emissions. However, this bill restricts CARB from using standard California Environmental Quality Act streamlining tools for environmentally beneficial regulations.*

“In addition, this bill would create significant delays in the promulgation of environmentally beneficial regulations. This bill also exposes state and local public agencies to new litigation risks and results in millions of dollars in costs not accounted for in the budget.

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget.”

SB 1188 (Laird) Safe Drinking Water State Revolving Fund**: This bill authorizes the State Water Resources Control Board to more generally provide grants, principal forgiveness funding, and zero percent financing from the state’s Drinking Water State Revolving Fund under modified provisions that no longer limit such funding to water systems serving severely disadvantaged communities. Status: Signed by the Governor, Chapter 680, Statutes of 2022.

SB 1290 (Allen) Sidewalk Vendors**: This bill would have required GO-Biz to complete a specified report to the Legislature on local sidewalk vending in California. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1325 (Gonzalez) California Techquity Innovation Program: This bill would have required GO-Biz to establish a California Techquity Innovation Program, which support underserved and underrepresented entrepreneurs, technology accelerators, incubators, fully accredited institutions of higher education, local governments, and public-private partnerships that support, advise, and uplift underrepresented entrepreneurs. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1328 (McGuire) Prohibited Investments Russia and Belarus**: This bill, an urgency measure, would have prohibited new investments, including follow-on investments and renewals, to a prohibited company, a company that supplies military equipment to an aggressor country, or to a company the US government has designated as complicit in the aggressor countries’ war against Ukraine. An aggressor country is defined as Russia or Belarus. A prohibited company is a company domiciled in Russia or Belarus or that is owned or controlled by Russia or Belarus, as specified. Status: Dies without further action in the Assembly Committee on Public Employment and Retirement, 2022.

SB 1349 (Caballero) California New Employment Credit**: This bill, a tax levy, would have expanded the currently significantly underutilized New Employment Credit by repealing the requirement that work must be performed by the qualified full-time employee in a designated target area, revises the definition of a qualified employee to conform with the definition used to claim a federal work opportunity credit (WOTC), and makes other technical changes. Status: Held under Submission in the Assembly Appropriations Committee, 2022.

SB 1407 (Becker) Employee-Owned Businesses: This bill, subject to appropriation, establishes the California Employee Ownership Hub, within the Office of Small Business Advocate, for the purpose of working with internal and external stakeholders. Status: Signed by the Governor, Chapter 733, Statutes of 2022.

Section VI – Leveraging Public Contracting for Targeted Business Development

California has a 40-year history of utilizing state contracting to support business development within targeted business populations. The statute sets an annual 3% DVBE procurement participation goal, and a 2006 executive order sets a 25% small business and microbusiness participation goal for state agencies, departments, boards, and commissions.

While encouraging small business participation furthers the state's interest in having a robust small business sector, the Small Business Procurement and Contract Act also establishes the policy foundation for DVBE contract participation. The DVBE procurement program is intended to both recognize the sacrifices of California's disabled military veterans, as well as address the specific needs of disabled veterans seeking rehabilitation and training through entrepreneurship.

To assist state agencies in reaching these targeted procurement participation goals, state law authorizes:

- A procurement preference of 5% for bids using a certified small business as a prime or subcontractor.
- A streamlined alternative procurement process for smaller size contracts (between \$5,000 and \$250,000), known as the Small Business/DVBE Option, whereby an awarding department can contract directly with a certified small business or DVBE after comparison of the bid against two other similar businesses.
- A DVBE incentive that allows an awarding department to set an incentive percentage between 1% and 5% for a particular transaction.

In the state's experience, a majority of DVBEs are smaller size firms, with 86% having dual certifications, including 56.5% of all DVBEs also holding microbusiness certificates, 25.6% having a small business certification, and 0.6% having a small business public works certification. The remaining 14% of DVBEs operate with only a single DVBE certification.

DGS has a range of responsibilities relating to the implementation of the Small Business and DVBE program, including:

- Certification of DVBEs (866 new and renewed DVBEs certified in 2019-20, bringing the total of certified DVBEs in 2019-20 to 1,795).
- Certification of small businesses and microbusinesses (8,278 new and renewed certifications, bringing the total number of certified small businesses and microbusinesses in 2019-20 to 17,374).
- Outreach to the potential small business and DVBE bidders (142 events, including 114 events to the veteran community in 2019-20).
- Marketing of the DVBE program to state agencies.

- Partnering with the California Department of Veterans Affairs on meetings with departments that are not meeting participation goals.
- Consulting with the California Procurement Contracting Academy on the DVBE training of state contracting staff.
- Preparation of an annual consolidated report on DVBEs', small businesses', and microbusinesses' participation within state contracting activities.
- Program oversight to identify abuses by bidders and failures to perform by state departments and agencies.

Given the importance of small businesses to California's economy, these procurement preferences play a key role in distributing state expenditures throughout the state and among a variety of business types. The charts below (*Charts 15 and 16*) display small business and DVBE procurement participation for the four most recent fiscal years for which data is available.

Chart 15– Small Business and Microbusiness Contracting Activity of Mandated Reporters (dollars in millions)				
Fiscal Year	Total Contract Dollars	Total Small Business and Microbusiness Contract Dollars	Total Percent	Total Number of Contracts
2019-20	\$11,988	\$2,840	23.7%	97,515
2018-19	\$10,531	\$2,168	20.58%	96,345
2017-18	\$8,361	\$2,720	32.50%	110,864
2016-17	\$6,329	\$1,683	26.60%	117,624
2015-16	\$5,855	\$2,112	36.08%	116,169
2014-15	\$8,117	\$2,079	25.61%	482,707
2013-14	\$7,101	\$2,013	28.35%	90,784
2012-13	\$7,616	\$1,801	23.66%	105,617
2011-12	\$7,399	\$1,796	24.28%	165,523

Source: DGS Statewide Consolidated Annual Reports for the contracting periods

Chart 16 – DVBE Five-Year Contracting Activity of Mandated Reporters (dollars in millions)				
Fiscal Year	Total Contract Dollars	Total DVBE Dollars	Total DVBE Percent	Total DVBE Contracts
2019-20	\$11,988	\$464	3.87%	22,894
2018-19	\$10,531	\$340	3.23%	23,782
2017-18	\$8,314	\$387	4.7%	19,174
2016-17	\$6,329	\$259	4.1%	19,823
2015-16	\$5,855	\$274	4.6%	18,638
2014-15	\$8,105	\$314	3.8%	16,192
2013-14	\$6,566	\$241	3.6%	12,777
2012-13	\$7,151	\$216	3.0%	14,907
2011-12	\$7,173	\$340	4.7%	16,246

Source: DGS Statewide Consolidated Annual Reports for the contracting periods

Based on the charts' data, aside from 2019-20, the state met or nearly met its 25% small business target and consistently exceeded the 3% DVBE procurement participation goal. These official numbers are, however, only part of the program assessment. DGS prepares an extensive annual report on state procurement activities, the California Consolidated Report. In addition to reporting the number and

dollar amounts of contracts with small businesses and DVBEs, these reports also provide information on outreach activities and other information to provide a framework for understanding the state’s targeted procurement activities.

Although DGS works diligently to gather and aggregate this information, the California Consolidated Report also highlights potential data irregularities, including inconsistent reporting by state agencies and the failure of some state agencies to even make a report. For example, in 2012-13, only 79% of the mandatory reporting entities reported their contracting activity to DGS. In 2019-20, 94% of the mandatory reporting agencies submitted data.

The data provides only a partial look at contracting activities, as it reflects the amount contracted for and not the amounts received by a small business or DVBE. A state audit of the DVBE program, released in 2019, suggests that very few state agencies have implemented practices to monitor and report DVBE procurement participation violations for follow-up by DGS. The Legislature passed three measures to address the deficiencies identified in the audit, described in Comment 10. However, the impact of those changes will not be known until procurement data for 2021-22 are released.

COVID-19 Procurement Opportunities

On March 4, 2020, Governor Newsom issued an emergency proclamation due to the COVID-19 pandemic, which suspended statutory requirements for competitive bidding, advertising, and other state purchasing requirements for the procurement of goods and services needed to address the effects of the pandemic. With the state government operating under a state of emergency, state agencies are authorized to use contracting protocols that allow for little or no small business and DVBE participation. Many small business groups have expressed concern to the Assembly Jobs Committee over the lack of access to new procurement opportunities since April 2020.

Small business participation in state procurement was below 25% in 2018-19 and 2019-20. One of the reasons for these lower participation levels in small businesses is the increased use of emergency contracting authority. DGS releases an annual *California Consolidated Report*, which tracks small business, micro business, and DVBE procurement participation. In the 2018-19 report, DGS states that the “primary reason departments gave for not meeting the Small Business or DVBE participation goals was the large number of emergency contracts related to the 2018 wildfires, such as the Camp Fire.”

For the 2019-20 report, DGS prepared *Chart 17*, which compares small business and DVBE participation with and without emergency contracting activity.

Chart 17 - Participation with and without Emergency Purchases (dollars in millions)					
Departments	Total Contract Dollars	SB/Micro Dollars	SB/Micro Percent	DVBE Dollars	DVBE Percent
Total State Award	\$11,988	\$2,840	23.70%	\$464	3.87%
Without Emergencies	\$7,339	\$2,661	36.27%	\$407.3	5.54%
Only Emergencies	\$4,650	\$179	3.85%	\$56.7	1.22%
<i>Source:</i> 2019-20 California Consolidated Report					

To combat this trend, DGS reports that its Office of Small Business and DVBE Services has taken a number of steps to address the impact of large emergency/disaster-related contracts on small businesses and DVBEs. A few highlights from their 2018-19 and 2019-20 *California Consolidated Report* are provided below:

- ***New Register of Certified Firms for Emergency-related Contracts:*** Working with departments that make large disaster-related contracts, DGS identified approximately 32 activity/supplies categories for which small businesses and DVBEs will be able to register. Categories include but are not limited to debris removal, energy generators, equipment rentals, rescue supplies, medical supplies, respiratory products, sanitation, food, and fuel. The Emergency Registry went live in October 2021.
- ***Leveraged Procurement Agreements for Emergency Purchases:*** DGS finalized and expanded the Master Service Agreement (MSA) and California Multiple Award Schedule contracting opportunities for emergency procurement. This included the debris removal MSA related to recovery efforts from the fires. DGS will also continue to provide Small Business/DVBE participation language to be used in emergency MSAs and targeted outreach to certified businesses to connect them with emergency contracting opportunities.
- ***Targeted Outreach for Emergency Purchases:*** DGS is encouraging, and in some cases requiring, departments to reach out to DGS when conducting emergency procurements. DGS is committed to assisting awarding departments with identifying certified small businesses and DVBEs to meet their needs. Examples of targeted Small Business/DVBE outreach for emergency purchases include:
 - Distributing emergency-specific communication to certified firms
 - Assisting certified businesses with strengthening their certification profile keywords and UNSPSC and taking advantage of the search functionality of the Financial Information System for California (FI\$Cal).
 - Offering certification workshops and individual assistance to interested businesses and will continue to do so moving forward.
 - Collecting business information from Small Businesses/DVBEs who report they could provide COVID- related goods and services and distribute their information to all state advocates and Cal OES.

DGS believes these changes will result in improved targeted procurement activities in the 2021-22 contract year.

Small Business Public Works

DGS recently implemented a new small business certification category: Small Business Certification for the Purpose of Public Works [SB 605, Chapter 673, Statute of 2017]. This new certification includes small businesses in the public works arena with three-year annual average gross receipts not exceeding \$36 million and fewer than 200 employees.

In the 2019-20 contract year, 1,997 firms held small business-public works certifications. Of those 1,997 certified SB-PWs, 339 were exclusively SB-PWs, while 1,658 others hold it among multiple certifications. SB 605 also increased and codified the certification eligibility threshold for firms based on their three-year average of gross annual receipts. Microbusiness designation went up to \$5 million, and small business certifications were included to \$15 million. *Chart 18* displays data on the number of California certified small businesses and DVBEs from a June 2020 query by DGS (most current).

Chart 18 – Small Business and Micro Firms by Certification Type		
Certification Type	Firm Count	Percent of Total
Small Business	1,998	11.5%
Dual Certifies Small Business and DVBE	82	0.47%
Dual Certified Small Business and Small Business-Public Works	164	0.94%
Small Business Micro	12,014	69.15%
Dual Certified Small Business Micro and Small Business–Public Works	1,311	7.55%
Dual Certified Small Business Micro and DVBE	1,283	7.38%
Small Business–Public Works	339	1.95%
Dual Certified Small Business–Public Works and DVBE	21	0.12%
Triple Certified Small Business, DVBE, and Small Business–Public Works	12	0.07%
Triple Certified Small Business Micro, Small Business–Public Works and DVBE	150	0.86%
Total	17,374	100%

Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to the leveraging of public contracting for targeted business development. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in *Section X*.

AB 539 (Cooley) California State Teachers’ Retirement System Investments**:

This bill authorizes the board to contract with investment advisers, as defined, upon a finding by the board and approval by the State Personnel Board that the necessary investment expertise is not available within existing civil service classifications. Status: Signed by the Governor, Chapter 619, Statutes of 2021.

AB 915 (Chiu and Holden) Diversity in Small Business Contracting:

This bill would have codified a 25% small business goal for state procurement and proposed a number of actions to enhance the ability and commitment of state agencies to include small businesses, disadvantaged business enterprises, and disabled veteran business enterprises in state contracting. Status: Held under Submission in the Senate Committee on Appropriations, 2021.

AB 1072 (Reyes) Small Business and DVBE Procurement Opportunities:

This bill would have reinforced the ability of the DGS Office of Small Business and DVBE Services to work with awarding departments on certification of small businesses and DVBEs and targeted outreach for upcoming disaster-related contracts. The bill also creates a more decisive programmatic relationship between the state’s small business procurement advocates and the statewide network of 80+ small business technical assistance centers which participate in the Small Business Technical Assistance Enhancement Program. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 1244 (Mathis) Out-of-State DVBEs: This bill would have modified the statutory definition for businesses that are eligible for state certification as a disabled veteran-owned business to include out-of-state businesses owned by a disabled veteran. Status: Died without further actions in the Assembly Committee on Jobs, Economic Development, and the Economy, 2022.

AB 1574 (JEDE) Leveraging State Procurement for an Inclusive Economic Recovery Act of 2021: This bill makes various changes to California's certified small and microbusiness, Disabled Veteran Business Enterprise (DVBE), and Target Area Contract Preference Act (TACPA) programs, including enhancing the promotion of procurement programs, authorizing specified public entities to bring civil action for a violation involving a knowingly fraudulent representation, and expanding and clarifying the TACPA. Status: Signed by the Governor, Chapter 756, Statutes of 2021.

AB 1717 (Aguiar-Curry) Definition of Public Works:** This bill would have expanded the definition of public works for the purpose of the payment of prevailing wages to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural road fuel breaks, fire breaks, and vegetation management. Status: Vetoed by the Governor, 2022. The veto message states: *My administration has worked tirelessly to cut red tape and distribute grant money quickly to cities, counties, special districts, and non-profits to fund fire mitigation projects. I wholeheartedly support prevailing wages for industries that do not pay livable wages to people completing public works projects. I am concerned that adding these projects to the definition of "public works" would introduce delays to critical fire mitigation projects necessary to protect vulnerable communities in the state. Such delays are a function of the administrative requirements that are imposed when executing a public works project.*

"I am directing my administration to work with the Legislature and sponsors of this bill to further examine this issue and propose solutions to ensure that we are both paying this critical workforce fairly while not unduly delaying these projects that protect people's lives and livelihoods. I look forward to working with the Legislature on this important issue in the next legislative session."

AB 2019 (Petrie-Norris) Small and Disadvantaged Business Enterprises: This bill codifies a 25% small business goal for state procurement and proposes a number of actions to enhance the ability and commitment of state agencies to include diverse business owners in state procurement opportunities. Status: Signed by the Governor, Chapter 730, Statutes of 2022.

AB 2873 (Jones-Sawyer) Supplier and Contractor Diversity: Requires certain housing sponsors who receive a Low Income Housing Tax Credit allocation on or after January 1, 2024 to annually report on the diversity of the suppliers and contractors, as specified. Status: Signed by the Governor, Chapter 316, Statutes of 2022.

AJR 30 (Gipson) Federal Funding of Freight: This resolution memorializes the California Legislature's request to the US Congress to pass and the US President to sign the legislation into law providing for a fair allocation of federal transportation funding for freight projects in California, specifically, and on the US Pacific Coast, generally, based on the volume of containerized freight moved. It further calls on the US Department of Transportation and all federal agencies implementing any federal funding statute or regulation for ports or multimodal freight transportation to provide a fair

allocation to California and the US Pacific Coast, as specified. Status: Adopted, Resolution Chapter 149, Statutes of 2022.

SB 808 (Roth) Made in California Label: This bill would have modified the Made in California Program by removing the requirements that the finished product could lawfully use the “Made in USA” label, and that a qualified third party verifies that the company and labeled products meet the requirements of the state program. The bill retained the requirement for re-certification every three years; however, the company would self-certify its compliance. Enforcement of potential fraudulent activity under the Consumer Legal Remedies Act was also retained, which allows an individual or group of individuals to seek damages through the civil courts. Status: Died without further action in the Assembly Committee on Appropriations, 2022.

SB 1271 (Wilk) Contracts for the Acquisition of Goods or Services**: This bill requires a specified report to Joint Legislative Budget Committee for the renewal or extension of a contract for goods or services that were not competitively bid and the total amount of the initial contract was more than \$75 million. The report is required to include information regarding the terms and conditions of the proposed extension or renewal of the contract. Status: Signed by the Governor, Chapter 543, Statutes of 2022.

SB 1364 (Durazo) Vendors to the University of California**: This bill would have made it unlawful for a vendor to accept payment of more than \$1,000 from the University of California if the vendor is performing services or supplying the university with employees to perform services who are paid less than the total compensation rate specified in the vendor’s contract with the university or required by university policy, whichever is higher. Status: Vetoed by the Governor, 2022. The Governor’s veto message states: “This bill requires a vendor that contracts with the University of California (UC) to perform services to provide their employees with the greater of either the compensation rate specified in the vendor's contract with the University or as required by UC policy. This bill also requires a vendor to semi-annually provide basic payroll information to the UC and members of any meeting body established with the exclusive representative of UC employees who perform the same or similar services. Additionally, this bill authorizes a vendor employee or University employee to bring a civil action against a vendor in the superior court for violation of this bill.

“I appreciate the intent of this bill, which is to ensure Regents Policy 5402 and the ratified agreement with American Federation of State, Municipal Employees Local 3299 are appropriately enforced. It is my Administration's understanding that the UC has been updating vendor contracts to include wage and benefit parity language and implementing campus and system level audit functions to monitor compliance and enforce these policies. The University is expected to complete a comprehensive report of audit findings in the first quarter of next year.

“I urge the UC to make the audit findings publicly available and present those findings during an open session of a regularly scheduled UC Regents meeting. Additionally, this bill includes provisions related to sharing information with contracted workers regarding wage and benefit parity. These are important transparency aims for workers and I further urge the UC to identify and implement additional mechanisms that meet these goals.

SB 1478 (Archuleta) DVBE Procurement Option: This bill would have increased the maximum value of a state contract for services or information technology that may be awarded using the Small

Business or Disabled Veteran Business Enterprise (DVBE) Option from \$250,000 to \$500,000. Status: Died without further action in the Assembly Committee on Jobs, Economic Development, and the Economy, 2022.

Section VII – Nurturing Manufacturing and Emerging Technology

Manufacturing plays an important role in the California economy, supporting international trade and small businesses within the global supply chain while providing high-paying jobs throughout. In 2021, California retained its top rank as the nation's larger producer in terms of both output and employment with the state producing 14.5% of all US manufacturing.

In 2021, the California manufacturing sector contributed over \$413.4 billion to the state economy, which represented 13.8% of the total output. Manufacturing employed 1.2 million workers in California, which accounted for 7.4% of the state's nonfarm employment in 2021. The average annual income for a worker in manufacturing in 2019 was \$112,381 as compared to \$59,149 for nonfarm workers. Average hourly earnings in manufacturing were \$31.58 in January of 2018, as compared to \$30 for all private industry sectors and \$18.04 for leisure and hospitality jobs.

California's employment is more concentrated in high and medium-high technology industries as compared to the overall US. For example, 36.9% of California manufacturing is in high technology as compared to 18.5% nationally. Over 25% of the state's manufacturing jobs are found in electronic instruments, semiconductors and electrical components, computers and peripheral equipment, and aerospace manufacturing.

Manufacturers bear a disproportionate share of federal regulatory costs. According to a report by the National Association of Manufacturers, the average US company, manufacturer or otherwise, pays \$9,991 per employee per year to comply with federal regulations. The average manufacturer in the US spends \$19,564 per employee per year. For small manufacturers (fewer than 50 employees), the regulatory impact is \$34,671 per employee per year.

Manufacturing is California's most export-intensive activity, with \$154 billion in manufactured goods exported in 2018, which accounted for 86.6% of California's annual exports. Employment related to manufacturing has historically supported 25% of all manufacturing jobs. The growth in manufactured goods between 2010 and 2019 was 19.8%. California exported \$40.4 billion in exports to Mexico and Canada under the USMCA agreement in 2019. The two largest exports by aggregate dollar value in 2020 were computers and electronic products, valued at \$37.6 billion (25.4% of all exports), and transportation equipment at \$17.3 billion (10.8%).

Manufacturers comprise the largest sector of foreign-owned companies with US affiliates, employing 208.4 million workers in the US in 2017. Also, manufacturing jobs have a large employment multiplier effect. According to the Milken Institute, each manufacturing job supports roughly 2.9 other jobs in the state's economy overall. In some specialized manufacturing sectors, such as electronics and computer manufacturing, the multiplier effect is as high as 16 to 1. One of the reasons for the large multiplier effect is the extended supply chains that are needed to support manufacturing and the export of goods, which include many small businesses and logistic companies.

The Role of Manufacturing during the COVID-19 Pandemic:

California has faced and is facing many hurdles in meeting the challenges of the coronavirus emergency. Among these challenges has been access to key essential goods, including sanitizing agents, personal protective gear, ventilators, and key component parts of essential products, such as swabs for testing kits. Extended global supply chains hampered the state's ability to meet the basic needs of its health care system. While California's disaster response capabilities have been demonstrated to be some of the best in the world, COVID-19 has also demonstrated the serious downsides to global supply chains for crucial goods.

With limited domestic capacity, public and private entities in California had to initially pursue contracts with out-of-state and foreign producers. This too often resulted in high cost, poor quality, and unreliable deliveries. In a rapid response to these unacceptable outcomes, the Governor's Office of Business and Economic Development partnered with state trade associations, like the California Manufacturing and Technology Association (CMTA), and the state- and federally-supported small business assistance centers, including the California Manufacturing Technology Corporation (CMTC), who testified at the February 23, 2021, Jobs Committee hearing.

Over a matter of weeks, these entities collectively and individually reached out to California's dynamic manufacturers to assess how these businesses could contribute to the state's emergency response efforts. Governor Newsom established a website (<https://covid19supplies.ca.gov/>), where businesses holding inventories of or with the capacity to produce health care-related products could directly connect with state contracting staff. Top priority products included ventilators, surgical masks, hand sanitizers, and hospital exam gowns. CMTA led this effort by polling all its membership to identify current production and repurposing capacity. CMTA's manufacturer repurposing list can be found at: https://cmta.net/multimedia/10th_list_of_mfg_repurposing_for_covid_19_cmta_w:o_contact_info_copy.pdf

The CMTC, utilizing repurposed funding from the GO-Biz Small Business Technical Assistance Expansion Program, worked one-on-one with small and medium-sized manufacturers to shift their production to meet the state's top emergency supply needs. Shifting to meet the state's emergency COVID-19 needs has required retooling of facilities, training of new and incumbent staff, and establishing new supply sources, to name only a few of the required innovations. Below are examples of how CMTC's clients evolved to meet California's COVID-19 challenge.

- ***Allett, National City***: Allett is a family-run slim wallet company established in 1995. By rethinking their production line, the company transformed their warehouse in National City from making wallets to face masks. This project which began as a small one-time donation, has become a business model. For anyone that purchases two masks, the company donates a mask. Most recently, the company reported that it has donated over 3,500 masks, which has also allowed the small business to double its workforce.
- ***Armenco Truck Company, Chatsworth***: Since 1977, Armenco Truck, a family-run company, has designed and delivered mobile trucks for food and other industries. During the COVID-19 pandemic, Armenco has had the capability to supply mobile hand wash stations, mobile kitchens, and triage units for parks, homeless encampments, and other applications. Armenco is also

supplying plastic partitions and guard stations, which are being installed between manufacturing equipment stations and office areas.

- **Dermaesthetics, Inc., Anaheim:** Dermaesthetics is a global skincare company, primarily selling to beauty professionals for over 30 years. When the call for hand sanitizers came, the company pivoted its production line and shipped at no-charge to California clinics, hospitals, senior care centers, etc. In addition, Dermaesthetics has sold its FDA and WHO compliant products in various sizes to companies and the general public.
- **Able Industrial Products, Ontario:** Able Industrial Products is a second-generation family-owned business, which pivoted to manufacture face shields from manufacturing automotive and aerospace gaskets. The company now provides 2,500+ face shields daily to St. Jude Medical Center in Fullerton and other medical centers in Southern California.

The Assembly Committee on Jobs, Economic Development, and the Economy worked on legislation to support the financing of California products – AB 3077 (Garcia, Cervantes) from the prior session – and sent a letter to the Governor calling for the establishment of the Manufacturing Response and Recovery Initiative. The purpose of the Manufacturing Response and Recovery Initiative was to both jump-start California’s economic recovery, as well as render the state better prepared to protect the health and safety of Californians in the future.

CMTA joined with the California Business Roundtable and similar business and industry groups in Oregon and Washington State to write an open letter to their Governors outlining a framework for reopening, which included the following goals:

- Business must help lead the recovery.
- Expectations must be clear.
- Employer concerns must be resolved.
- Businesses – and individuals – should be allowed to return to work as soon as reasonable safety standards can be met.
- Different sectors or regions may need different strategies and timelines.
- The hardest hit industries should receive additional support and consideration.
- Worker retraining should occur sooner rather than later.
- Reviving our economy, and building strength for the long-term, must become a priority.

Manufacturing in the Future

EDD currently projects that, between 2018 and 2028, total employment in California will rise by 16.3%, with total employment in the manufacturing sector in California rising by only 0.1%, as shown in **Chart 19** below.

Chart 19 – Net Employment Growth in California				
	Annual Average Employment in 2018	Estimated Employment in 2028	Numerical Change	Percent Change
Total Employment	18,825,800	20,412,500	1,586,600	8.4%
Manufacturing	1,323,100	1,301,100	-22,000	-1.7%

Source: “Projections of Employment by Industry and Occupation, Long-Term (Ten Years) Projections,” EDD, 2021

While the aggregate employment growth is negative, there are significant differences between types of manufacturing, with some subsectors expecting major employment reductions, such as petroleum and coal product manufacturing (-20%), and other producers having more significant increases, including beverage and tobacco product manufacturing (20.8%). *Chart 20* provides a more detailed look at selected job growth in the manufacturing sector.

Chart 20 – Selected Net Job Growth in Manufacturing				
	Annual Average Employment in 2018	Estimated Employment in 2028	Numerical Change	Percent Change
Manufacturing	1,323,100	1,301,100	-22,000	-1.7%
Durable Goods Manufacturing	845,400	834,600	-10,800	-1.3%
Wood Product Manufacturing	25,400	24,000	-1,400	-5.5%
Other Wood Product Manufacturing	18,000	17,200	-800	-4.4%
Fabricated Metal Product Manufacturing	132,900	126,400	-6,500	-4.9%
Architectural and Structural Metals Manufacturing	33,700	32,500	-1,200	-3.6%
Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	43,100	41,700	-1,400	-3.2%
Other Fabricated Metal Product Manufacturing	18,000	17,000	-1,000	-5.6%
Machinery Manufacturing	77,300	78,500	1,200	1.6%
Industrial Machinery Manufacturing	20,500	24,100	3,600	17.6%
Commercial and Service Industry Machinery Manufacturing	11,800	10,900	-900	-7.6%
Metalworking Machinery Manufacturing	12,200	11,100	-1,100	-9.0%
Other General Purpose Machinery Manufacturing	15,500	14,200	-1,300	-8.4%
Computer and Electronic Product Manufacturing	278,400	276,800	-1,600	-0.6%
Computer and Peripheral Equipment Manufacturing	74,500	80,400	5,900	7.9%
Communications Equipment Manufacturing	18,300	14,300	-4,000	-21.9%
Semiconductor and Other Electronic Component Manufacturing	86,500	77,400	-9,100	-10.5%
Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	88,000	94,900	6,900	7.8%
Electrical Equipment, Appliance, and Component Manufacturing	33,000	31,800	-1,200	-3.6%
Transportation Equipment Manufacturing	127,700	133,100	5,400	4.2%
Motor Vehicle Manufacturing	18,900	25,800	6,900	36.5%
Aerospace Product and Parts Manufacturing	76,000	77,500	1,500	2.0%
Ship and Boat Building	8,500	7,500	-1,000	-11.8%
Furniture and Related Product Manufacturing	34,900	28,800	-6,100	-17.5%
Household and Institutional Furniture and Kitchen Cabinet Manufacturing	21,700	17,500	-4,200	-19.4%
Miscellaneous Manufacturing	86,200	88,100	1,900	2.2%
Medical Equipment and Supplies Manufacturing	54,400	58,500	4,100	7.5%
Other Miscellaneous Manufacturing	31,700	29,600	-2,100	-6.6%
Nondurable Goods Manufacturing	477,700	466,500	-11,200	-2.3%
Food Manufacturing	161,400	162,700	1,300	0.8%
Fruit and Vegetable Preserving and Specialty Food Manufacturing	27,900	25,200	-2,700	-9.7%

Dairy Product Manufacturing	17,700	18,000	300	1.7%
Animal Slaughtering and Processing	22,100	22,400	300	1.4%
Bakeries and Tortilla Manufacturing	43,700	42,800	-900	-2.1%
Other Food Manufacturing	33,600	37,100	3,500	10.4%
Beverage and Tobacco Product Manufacturing	63,600	76,800	13,200	20.8%
Textile Mills	6,200	4,500	-1,700	-27.4%
Textile Product Mills	8,600	7,400	-1,200	-14.0%
Apparel Manufacturing	37,100	27,300	-9,800	-26.4%
Apparel Knitting Mills	1,000	800	-200	-20.0%
Cut and Sew Apparel Manufacturing	33,600	24,500	-9,100	-27.1%
Paper Manufacturing	21,300	19,900	-1,400	-6.6%
Converted Paper Product Manufacturing	20,100	18,900	-1,200	-6.0%
Printing and Related Support Activities	39,200	32,300	-6,900	-17.6%
Petroleum and Coal Products Manufacturing	13,000	10,500	-2,500	-19.2%
Chemical Manufacturing	80,700	83,500	2,800	3.5%
Pharmaceutical and Medicine Manufacturing	46,800	49,000	2,200	4.7%
Soap, Cleaning Compound, and Toilet Preparation Manufacturing	12,100	12,900	800	6.6%
Source: "Projections of Employment by Industry and Occupation, Long-Term (Ten Years) Projections," EDD, 2021				

Attracting New Manufacturing

California's Manufacturing Strategy: While manufacturing is considered the "Gold Standard" in business development, expansion, and retention activities, the state has a limited number of programs that specifically meet the unique challenges of manufacturing.

- ***Partial Sales Tax Exemption on New Equipment:*** Sales and Use Tax Exemption on the state portion of taxes for the first \$200 million of equipment purchases. Up to \$6,625,000 (3.3125%) million can be awarded each year, with approvals provided on a first come-first-serve basis. Each year the program is oversubscribed.
- ***Full Sales Tax Exclusion on Equipment:*** Sales and Use Tax Exclusion on both the local and state share of sales and use taxes. Up to \$100 may be annually awarded on a competitive basis. Over the last several years, the program has been oversubscribed.
- ***Tax Credit for Expanding Businesses:*** California Competes Tax Credit has authority to allocate up to \$200 million annually to businesses, including manufacturers who are making significant new capital investments and hire additional employees.
- ***Tax Credit to Retain Workers:*** The Main Street Tax Credit was authorized in 2020 to allocate up to \$100 million in tax credits to certain qualified small businesses for the 2020 taxable year, equal to \$1,000 for each net increase in qualified employees, not to exceed \$100,000 per employer.
- ***Technical Assistance:*** The Small Business Technical Assistance and Expansion Program competitively awards \$17 million annually, as part of a five-year agreement for the elimination of a \$50 million small business set aside in the California Competes Tax Credit.

Many years ago, the Small Business Loan Guarantee Program, administered through the Small Business Finance Center at the IBank, guaranteed loans for up to \$10 million, which provided a source

of manufacturing capital. The program is currently limited to guarantees on loans of up to \$1.5 million, making the program not very manufacturer-friendly.

The Small Business Finance Center also runs a Jump Start Direct Loan Program, which provides microloans to small businesses. The total initial capitalization was \$2 million, making the program very helpful to microenterprises but not very useful in providing capital to manufacturers.

Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to the nurturing of manufacturing and emerging technology. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in *Section X*.

AB 41 (Wood) Broadband Infrastructure Deployment**: This bill requires the Department of Transportation to ensure that the construction of certain projects located in priority areas includes the installation of conduits capable of supporting fiber optic communication cables. Status: Signed by the Governor, Chapter 659, Statutes of 2021.

AB 45 (Aguilar-Curry) Industrial Hemp Products**: This bill establishes a regulatory framework for industrial hemp under the Sherman Food, Drug, & Cosmetic Law, also referred to as the Sherman Law. The bill requires manufacturers of products containing industrial hemp or hemp products to obtain a process food registration and comply with good manufacturing practices. Status: Signed by the Governor, Chapter 576, Statutes of 2021.

AB 475 (Muratsuchi) Japan Trade Office: This bill would have required, subject to appropriation, the Governor's Office of Business and Economic Development to establish an international trade and investment desk in Tokyo, Japan, by January 1, 2024. The bill specifies Governor's Office of Business and Economic Development may contract with the Japan External Trade Organization to provide office and meeting space for the trade and investment desk. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 511 (Muratsuchi) Securities Transactions and Crowd Funding**: This bill exempts crowdfunded equity offerings from certain state securities qualifications requirements under specified conditions and requires a court to award reasonable attorney's fees and costs to a prevailing purchaser or seller for specified violations of state securities law. Status: Signed by the Governor, Chapter 617, Statutes of 2021.

AB 538 (Muratsuchi and Friedman) California Aerospace Commission: This bill would have enacted the California Aerospace and Aviation Act of 2021 and established a 15-member California Aerospace Commission within the administrative organization of the Governor's Office of Business and Economic Development. The purpose of the Commission was to serve as a central point of contact for businesses engaged in the aerospace industry and to support the health and competitiveness of this industry in California. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 661 (Bennett) Recycled Content and State Procurement**: This bill modifies the State Agency Buy Recycled Campaign (SABRC). Among other changes, the bill requires:

5. The Department of Resources Recycling and Recovery (CalRecycle), with the concurrence of the Department of General Services (DGS) and in consultation with impacted agencies, to update the list of identified products and update the minimum recycled content percentages commencing January 1, 2026, and every three years thereafter;
6. A state agency to purchase recycled products instead of nonrecycled products whenever recycled products are available at no more than 10% greater total cost than nonrecycled products, as specified;
7. CalRecycle to update the list of products and minimum recycled content percentages, as specified
8. DGS to maintain procedures for complying with SABRC, as specified.

Status: Signed by the Governor, Chapter 517, Statutes of 2022.

AB 680 (Burke) California Jobs Plan Act of 2021: This bill enacts the California Jobs Plan Act of 2021, which requires the California Workforce Development Board to work with the Labor Agency to update, by July 1, 2025, Greenhouse Gas Reduction Fund (GGRF) funding guidelines to ensure that all applicants to GGRF-funded grant programs meet certain standards. Among other requirements, the updated guidelines are required to include fair and responsible employer standards, inclusive procurement policies, and preferences to applicants that demonstrate a partnership with an educational institution or training program targeting residents of under-resourced, tribal, and low-income communities, as defined, in the same region as the proposed project and to applicants that demonstrate the creation of high-quality jobs, as defined. Status: Signed by the Governor, Chapter 746, Statutes of 2021.

AB 778 (E. Garcia) California Grown**: This bill modifies existing procurement requirements to, instead, require a California state-owned or state-run institution that purchases agricultural food products, as defined, to implement necessary practices to achieve a goal of ensuring that at least 60% of the agricultural food products that it purchases in a calendar year are grown or produced in the state by December 31, 2025. The bill specifies that this goal does not apply to local educational agencies and the segments of public postsecondary education. Status: Signed by the Governor, Chapter 576, Statutes of 2022.

AB 794 (Carrillo) Purchase of New Drayage and Short-haul Trucks**: This bill, beginning with the 2022–23 fiscal year, and each fiscal year thereafter, limits participation in specified state incentive programs to only those fleet purchasers of new drayage and short-haul trucks that can demonstrate that they do not have any applicable law violation at the time of applying for the incentive, is not on the list maintained by the Division of Labor Standards Enforcement under Section 2810.4 of the Labor Code, and attests it will retain direct control over the manner and means for the performance of any individual using or driving the vehicle. As part of meeting these requirements, the fleet purchaser is required to attest in writing, among other things, that they will maintain compliance with applicable laws for at least three years from the date of application for incentives or the duration of the incentive agreement, whichever is longer. Status: Signed by the Governor, Chapter 748, Statutes of 2021.

AB 844 (Grayson) Green Empowerment Zone: This bill establishes the Green Empowerment Zone for the Northern Waterfront area of the County of Contra Costa for the purpose of building upon the comparative advantage provided by the regional concentration of highly-skilled energy industry

workers by prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private sector investment in the renewable energy sector. Status: Signed by the Governor, Chapter 377, Statutes of 2021.

AB 888 (Levine) Mobile Slaughter Facilities**: This bill authorizes small- and medium-scale livestock producers to utilize mobile slaughter operations, providing more options to safely harvest goats, sheep, and swine on the ranch where they are raised. Status: Signed by the Governor, Chapter 378, Statutes of 2021.

AB 992 (Cooley) California Clean Truck and Off-Road Vehicle and Equipment Technology Program**: This bill authorizes funding of peer-to-peer truck-sharing platform demonstrations under the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, which is administered by the State Air Resources Board, in conjunction with the State Energy Resources Conservation and Development Commission. The purpose of the program is to fund the development, demonstration, precommercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies. Status: Signed by the Governor, Chapter 624, Statutes of 2021.

AB 1036 (E. Garcia and Cervantes) California Manufacturing Emergency Preparedness Act of 2021: This bill would have authorized the California Infrastructure and Economic Development Bank to establish two new manufacturing loan and loan guarantee programs for the purpose of addressing the financial requirements of manufacturers when retooling, repurposing, and expanding production and distributing products necessary to prevent shortages of essential goods. Status: Vetoed by the Governor, 2021. The veto message states: *I am returning Assembly Bill 1036 without my signature. This bill would create two new programs to be administered by the California Infrastructure and Economic Development Bank: the California Manufacturing Disaster Loan Program to address manufacturing needs during and after the declaration of a state of emergency, and the California Manufacturing Competitiveness Loan Program for the purpose of attracting, retaining, and expanding manufacturing facilities and companies in the state. California's manufacturers stepped up to retool and utilize their facilities during the COVID-19 pandemic to help meet the state's needs. I am strongly supportive of California's manufacturing economy, a majority of which is fueled by small businesses. Together with the Legislature, in 2020 and 2021, we made unprecedented investments to support small businesses' access to capital and ongoing economic recovery. However, this bill does not provide sufficient detail to operationalize the loan programs, risking significant costs, delays, administrative challenges, and program design inefficiencies. Additionally, California has existing programs to support manufacturers. As this proposal would result in millions of dollars in ongoing costs and establish two new financing programs, it should be considered through the annual state budget process.*

AB 1037 (Grayson) Digital Construction Management Technologies: This bill requires the Department of Transportation to develop guidance, policies, and procedures for the use of digital construction management technologies for civil infrastructure projects for inclusion in the State Administrative Manual and the State Contracting Manual by January 1, 2023. The bill requires that the guidance include information about how certain state department projects would implement a requirement that a bid or proposal for a civil infrastructure project would include digital construction technologies. Status: Signed by the Governor, Chapter 493, Statutes of 2022.

AB 1056 (Grayson) Industrial Housing: This bill would have required the IBank, in coordination with GO-Biz, to develop a program to invest in the building of offsite industrialized housing in order to meet the state’s policy goal of increasing the state’s capacity to quickly respond to additional housing needs precipitated by homelessness, wildfires, COVID-19, or other emergency situations. Status: Died without further action in the Assembly Committee on Housing and Community Development, 2022.

AB 1261 (Burke) Greenhouse Gas Emission Incentive Programs:** This bill requires the Air Resources Board to establish a process to identify any overlap among any incentive programs, as defined, that share the same objectives and to evaluate data on the behavioral changes that result from each of its incentive programs. The state is required to complete this work within three years of receiving an appropriation from the Legislature for these purposes. Status: Signed by the Governor, Chapter 714, Statutes of 2021.

AB 1279 (Muratsuchi and Christina Garcia) Carbon Neutrality:** This bill enacts the California Climate Crisis Act, which declares that it is the policy of the state both to achieve net zero GHG emissions as soon as possible, but no later than 2045, and to ensure that by 2045, statewide anthropogenic GHG emissions are reduced to at least 85% below the 1990 levels. To achieve these goals, the bill requires the California Air Resources Board to work with relevant state agencies to ensure that updates to the scoping plan identify and recommend measures to achieve these policy goals and to identify and implement a variety of policies and strategies that enable carbon dioxide removal solutions and carbon capture, utilization, and storage technologies to advance in California, as specified. Status: Signed by the Governor, Chapter 337, Statutes of 2022.

AB 1322 (Robert Rivas and Muratsuchi) Aviation GHG Reduction Plan: This bill would have required the California Air Resources Board to develop, consistent with federal law, a plan to reduce aviation greenhouse gas emissions and help the state reach its goal of net-zero greenhouse gas emissions by 2045, including a sustainable fuels target for the aviation sector of at least 20% by 2030. Status: Vetoed by the Governor, 2022. The veto message states: *“This bill requires the California Air Resources Board (CARB), on or before July 1, 2024, to develop a plan to reduce greenhouse gas emissions through the production and use of sustainable aviation fuels. This bill would also require CARB, on or before July 1, 2024, to commence implementation of the plan to achieve these goals. While my Administration appreciates the intent of this bill, there are existing opportunities for credit generation from sustainable aviation fuel production under the state’s Low Carbon Fuel Standard.”*

AB 1346 (Berman) Small Off-Road Engines:** This bill requires the state board, by July 1, 2022, consistent with federal law, to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines, as defined. Status: Signed by the Governor, Chapter 753, Statutes of 2021.

AB 1447 (Cooley) Rural Infrastructure Development: This bill would have established the Rural California Infrastructure Act for the purpose of awarding \$1 billion in grants to local agencies for rural infrastructure projects, including fairground maintenance, disaster preparedness, highway or street maintenance or repair, and historic or cultural preservation or repair. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1571 (JEDE) Small Business Regulatory Relief: This bill would have delivered regulatory relief to small businesses during a state of emergency by either exempting them from compliance until after the state of emergency or, in the case the regulation is necessary to address the emergency or a serious and immediate health and safety issue, providing small businesses with sufficient time to learn about and implement the new regulation. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1572 (JEDE) New Market Tax Credit: This bill would have established a state New Market Tax Credit to assist community development entities in raising capital to invest in small businesses in low-income communities. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

AB 1717 (Aguiar-Curry) Definition of Public Works:** This bill would have expanded the definition of public works for the purpose of the payment of prevailing wages to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural road fuel breaks, fire breaks, and vegetation management. Status: Vetoed by the Governor, 2022. The veto message states: *My administration has worked tirelessly to cut red tape and distribute grant money quickly to cities, counties, special districts, and non-profits to fund fire mitigation projects. I wholeheartedly support prevailing wages for industries that do not pay livable wages to people completing public works projects. I am concerned that adding these projects to the definition of "public works" would introduce delays to critical fire mitigation projects necessary to protect vulnerable communities in the state. Such delays are a function of the administrative requirements that are imposed when executing a public works project.*

"I am directing my administration to work with the Legislature and sponsors of this bill to further examine this issue and propose solutions to ensure that we are both paying this critical workforce fairly while not unduly delaying these projects that protect people's lives and livelihoods. I look forward to working with the Legislature on this important issue in the next legislative session."

AB 1854 (Boerner Horvath) Unemployment Insurance and Work Sharing Plans:** This bill authorizes the use of electronic signatures on all work sharing plan documents and removes the sunset on the use of the electronic portal for submitting documents. Status: Signed by the Governor, Chapter 112, Statutes of 2022.

AB 1951 (Grayson, Cooley, Cooper, Daly, Gipson, Petrie-Norris, Quirk-Silva, Ramos, Salas, Villapudua, and Wood) Sales and Use Tax Exemption on Manufacturing Equipment:** This bill would have replaced the current partial manufacturing sales tax exemption with a full exemption until January 1, 2028. Status: Vetoed by the Governor, 2022. The veto message states: *"This change would result in substantial revenue loss to local governments, which impacts essential health, safety, welfare, and transportation services. Assuming there are no changes in taxpayer behavior, local agencies are estimated to lose over half a billion dollars each year. As a strong supporter of California's business climate and manufacturing industry, I agree with the intent of this bill to invest in California's economy, incentivize innovation, and spur a manufacturing marketplace that is competitive nation-wide. However, we cannot ask our local governments to bear this loss in revenue.*

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined. The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant cost pressures, such as this measure, should be considered as part of the annual budget process. For these reasons, I cannot sign this bill. I look forward to working with the Legislature and stakeholders to propose something on this topic next year.”

AB 2026 (Friedman) Recycling Plastic Packaging**: This bill would have required an e-commerce shipper that ships purchased products in or into California to reduce by an unspecified amount the total weight and number of units of plastic packaging and expanded and extruded polystyrene by 2030, as specified. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2057 (Carrillo) Good Movement Data**: This bill requires all maritime ports with annual cargo volumes of greater than 1,000,000 20-foot equivalent units to anonymously survey trucking companies every two years on the number of drivers classified as independent contractors and the number of drivers classified as employee drivers, as specified. The bill also requires the Department of Industrial Relations to create a web page on its internet website that contains links to existing registries and databases related to drayage trucks, as specified. Status: Signed by the Governor, Chapter 458, Statutes of 2022.

AB 2061 (Ting) Electric Vehicle Charging Infrastructure**: This bill, beginning January 1, 2025, requires the Energy Commission to assess the uptime of charging station infrastructure, including, at a minimum, an assessment of equitable access to reliable charging stations in low-, moderate-, and high-income communities. The bill also requires the Energy Commission to update the assessment every two years and authorizes an individual or company supplying information or data to the Energy Commission to request that the information or data be held in confidence, as specified. Status: Signed by the Governor, Chapter 345, Statutes of 2022.

AB 2350 (Wilson and Grayson) Zero-Emission Aftermarket Conversion Project**: This bill would have required the California Air Resources Board to establish the Zero-Emission Aftermarket Conversion Project by allocating \$2 million annually from the Clean Vehicle Rebate Project to provide rebates for zero-emission vehicle conversions by California vehicle-owners, as specified. Status: Held under Submission on the Suspense File of the Senate Committee on Appropriations, 2022.

AB 2406 (Aguiar-Curry) Intermodal Marine Terminals**: This bill prohibits an intermodal marine container provider or terminal operator from imposing specified extended dwell charges on a motor carrier, beneficial cargo owner, or other intermediary relative to transactions involving cargo shipped by intermodal transport under certain circumstances. These prohibitions are in addition to other charge prohibitions, including prohibitions on imposing per diem, detention, or demurrage charges. Status: Signed by the Governor, Chapter 868, Statutes of 2022.

AB 2419 (Bryan) Justice40 Advisory Committee**: This bill would have required, consistent with a federal executive order, a minimum of 40% of funds received by the state under the Infrastructure Investment and Jobs Act and certain other federal funds to be allocated to projects that provide direct benefits to disadvantaged communities, as defined, and a minimum of an additional 10% be allocated

for projects that provide direct benefits to low-income households and low-income communities, as provided. The bill would have required state agencies administering those federal funds to perform specified tasks related to the expenditure of those federal funds. The bill would have also established the Justice40 Advisory Committee in the Strategic Growth Council, as specified, to perform various actions related to the expenditure of those federal funds. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2784 (Ting) Postconsumer Thermoform Recycled Plastic**: This bill would have established minimum recycled content requirements for thermoform plastic containers and allowed CalRecycle to collect administrative penalties if a producer does not meet the minimum content requirements. Status: Vetoed by the Governor, 2022. The veto message states: *“I strongly support efforts to advance California's transition to a circular economy. Earlier this year, I signed SB 54, which is the most significant overhaul of California's plastic and packaging recycling policy in state history, and goes further than any other state on cutting plastics production at the source. However, I am concerned this bill imposes confusing requirements in conflict with some of SB 54's key provisions, which could unfairly result in duplicative fees and penalties for the same material.*

“SB 54 was specifically designed to create a comprehensive regulatory framework for all recycled materials, in lieu of piecemeal approaches for individual products. With this objective in mind, we should allow CalRecycle to begin its work to implement the reforms required by SB 54 before contemplating any new recycling requirements for individual materials.”

AB 2798 (Fong) Freight Development Projects**: This bill, an urgency measure, until January 1, 2024, prohibits a local agency from denying a permit for a short-term freight transportation use, as defined, if the land is zoned for industrial or agricultural uses and the proposed use is in conformity with all applicable plans, programs, and ordinances. This prohibition applies through January 1, 2024. Further, if a governing body of a California port adopts real estate agreements, tariffs, ordinances, or other entitlements to allow for a short-term port freight transportation use or freight transportation infrastructure, the bill, until January 1, 2024, would provide that the use be considered an existing facility with negligible or no expansion of use for the purposes of CEQA. Status: Signed by the Governor, Chapter 535, Statutes of 2022.

AB 2840 (Reyes) Qualifying Logistics Use Projects**: This bill would have prohibited the County of Riverside, the County of San Bernardino, and cities within those counties from approving a new or expanded qualifying logistics use (100,000 or more square feet) that is adjacent to a “sensitive receptor” unless the city or county imposes a setback of at least 1,000 feet on the use, or alternative measures that will reduce the project’s impacts to public health and safety in a manner comparable to imposing the 1,000 foot setback. A “sensitive receptor” would have been defined as a residence, school, daycare facility, healthcare facility, community center, place of worship, incarceration facility, or public recreation facility. Status: Died without further action in the Senate Committee on Governance and Finance, 2022.

AB 2847 (Eduardo Garcia) Unemployment and the Excluded Workers Pilot Program**: This bill would have established, until January 1, 2026, the Excluded Workers Pilot Program, for the purpose of providing income assistance to excluded workers who are ineligible for the existing state or federal benefits, as specified. The bill would have provided \$300 per week for each week of unemployment for eligible workers, as determined by the Employment Development Department. Status: Vetoed by

the Governor, 2022. The veto message states: “California has taken critical actions to support inclusion and opportunity for undocumented immigrants and mixed status families. Just this year, California made historic investments to ensure more undocumented Californians have access to health care, food assistance, and to provide inflation relief regardless of immigration status. As we continue forward, this bill needs further work to address the operational issues and fiscal concerns, including a dedicated funding source for benefits.

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is also important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.”

AB 2873 (Jones-Sawyer) Supplier and Contractor Diversity: Requires certain housing sponsors who receive a Low Income Housing Tax Credit allocation on or after January 1, 2024 to annually report on the diversity of the suppliers and contractors, as specified. Status: Signed by the Governor, Chapter 316, Statutes of 2022.

AB 2878 (Aguiar-Curry) Forest Biomass Waste Utilization Program:** This bill would have established the Forest Waste Biomass Utilization Program to undertake three activities in collaboration and coordination with certain specified state entities:

- Develop an implementation plan to meet the goals and recommendations of the Forest Biomass Waste Utilization Plan.
- A comprehensive framework to align the state’s wood utilization policies and priorities and the focused market strategy required by the Wildfire and Forest Resilience Action Plan.
- A workforce training program that will complement the workforce needs associated with implementation of the biomass utilization program.

Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2887 (Eduardo Garcia) Sales and Use Tax Exclusions:** This bill, a tax levy, increases the maximum amount of sales tax exclusions that may be awarded in a given year by the California Alternative Energy and Advanced Transportation Financing Authority from \$100 million to \$150 million. This increase only applies to allocations in 2022 through January 1, 2026. Status: Signed by the Governor, Chapter 248, Statutes of 2022.

AB 2972 (JEDE) California Business Investment Services (CalBIS): This bill expands the role of CalBIS to include working with public and private investors who may want to make business investments in California. The bill also adds economic developer and workforce training partners to the list of local and regional groups that GO-Biz and CalBIS engage when helping businesses and investments grow and be successful in California. Status: Signed by the Governor, Chapter 599, Statutes of 2022.

AB 2974 (JEDE) Federal Infrastructure Funding and CA Small Businesses: This bill establishes a 25% small business participation goal in all contracts financed, in whole or in part, with specified funding in the Federal Infrastructure Investment and Jobs Act (IIJA). Departments may waive this requirement in cases where the federal law precludes small business participation or if compliance with these requirements would make the state’s application for a competitive program less competitive than other eligible applicants. Status: Signed by the Governor, Chapter 600, Statutes of 2022.

ACR 140 (O’Donnell) State Action to Address Supply Chains: This resolution would have made legislative findings and declarations that the state is suffering a supply chain crisis, and that this crisis continues to be exacerbated by the COVID-19 pandemic. The resolution would have therefore urged the state’s public agencies, departments, and local governments to provide all due and proper assistance to carriers, cargo owners, public seaports, terminals, workers, and facilities to facilitate the essential service of delivering goods to Californians. Status: Died without further action in Senate Rules, 2022.

ACR 147 (Lackey) Aerospace Valley: This resolution would have memorialized the Legislature’s endorsement of the Antelope Valley being referred to as the Aerospace Valley. Status: Died without further action in the Senate Committee on Business, Professions, and Economic Development, 2022.

AJR 29 (Mathis, Mia Bonta) Ports Congestion Relief: This resolution memorializes the Legislature’s support and encouragement for the US Congress to pass legislation to alleviate and remedy the congestion of California’s ports and ensure that the state’s importing and exporting capabilities return to pre-pandemic levels. Status: Adopted, Resolution Chapter 168, Statutes of 2022.

AJR 30 (Gipson) Federal Funding of Freight: This resolution memorializes the California Legislature’s request to the US Congress to pass and the US President to sign the legislation into law providing for a fair allocation of federal transportation funding for freight projects in California, specifically, and on the US Pacific Coast, generally, based on the volume of containerized freight moved. It further calls on the US Department of Transportation and all federal agencies implementing any federal funding statute or regulation for ports or multimodal freight transportation to provide a fair allocation to California and the US Pacific Coast, as specified. Status: Adopted, Resolution Chapter 149, Statutes of 2022.

SB 44 (Allen) California Environmental Quality Act:** This bill establishes, until January 1, 2025, expedited administrative and judicial review of environmental review and approvals granted for “environmental leadership transit projects” located within the County of Los Angeles that meet specified requirements. Status: Signed by the Governor, Chapter 633, Statutes of 2021.

SB 54 (Allen) Recycling Content Standards:** This bill enacts the Plastic Pollution Prevention and Packaging Producer Responsibility Act, which sets recycled/compostable content standards for producers of covered materials sold, offered for sale, imported, or distributed in the state, as follows:

- Not less than 30% of covered material on and after January 1, 2028.
- Not less than 40% of covered material on and after January 1, 2030.
- Not less than 65% of covered material on and after January 1, 2032.

Status: Signed by the Governor, Chapter 75, Statutes of 2022.

SB 372 (Leyva) Medium- and Heavy-Duty Fleet Purchasing**: This bill requires the California Pollution Control Financing Authority to establish a program to make financing tools and nonfinancial supports available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. Status: Signed by the Governor, Chapter 639, Statutes of 2021.

SB 502 (Allen) Green Chemistry**: This bill modifies the California’s Safer Consumer Products (green chemistry program), based on “perceived shortcomings from its first ten years with regards to the speed of the program to filling existing data gaps.” Status: Signed by the Governor, Chapter 701, Statutes of 2022

SB 542 (Limón) Sales and Use Tax Exemption**: This bill would have exempted the sale of a zero-emission truck from payment of sales tax, as specified. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 589 (Hueso) Alternative Vehicles and Vehicle Infrastructure**: This bill expands the content of an existing infrastructure charging station needs assessment, prepared by the State Energy Resources Conservation and Development Commission, to include statewide assessment of the electric vehicle charging infrastructure needs to include workforce development and training resources needed to meet the state goals of putting at least five million zero-emission vehicles in service by 2030 and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030. Status: Signed by the Governor, Chapter 732, Statutes of 2021.

SB 599 (Hueso) PUC Diverse Procurement Reports**: This bill expands the entities on which the California Public Utilities Commission is required to report on their use of diverse suppliers, as defined. The additional entities include community choice aggregators with gross annual revenues exceeding \$15 million and electrical corporations, gas corporations, water corporations, wireless telecommunications service providers, electric service providers, and telephone corporations with gross annual California revenues exceeding \$15 million, but not more than \$25 million. The bill also makes additional changes including, but not limited to placing a January 1, 2024, sunset on the requirement for CPUC to submit a report on its California Solar Initiative program to the Legislature. Status: Signed by the Governor, Chapter 703, Statutes of 2022.

SB 643 (Archuleta) Fuel Cell Electric Vehicle Fueling Infrastructure**: This bill requires the California Energy Resources Conservation and Development Commission to prepare a statewide assessment of the fuel cell electric vehicle fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles. Status: Signed by the Governor, Chapter 646, Statutes of 2021.

SB 671 (Gonzalez) Clean Freight Corridor Efficiency Assessment**: This bill establishes the Clean Freight Corridor Efficiency Assessment, to be developed by the California Transportation Commission, in coordination with other state agencies by December 1, 2023. In developing the Assessment, the bill requires the commission to identify freight corridors, or segments of corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles. The bill requires the commission to submit a report containing the

assessment's findings and recommendations to be incorporated into the development of the California Transportation Plan and that the state freight plan include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified in the assessment. Status: Signed by the Governor, Chapter 769, Statutes of 2021.

SB 674 (Durazo) Public Works Contracts**: This bill requires bidders on contracts for the acquisition of zero-emission transit vehicles or electric vehicle supply equipment valued at \$10 million or more to meet specified high road labor standards. Status: Signed by the Governor, Chapter 875, Statutes of 2022.

SB 684 (Hueso) California Border Commission: As passed by the JEDE Committee this bill would have established the California Border Commission to serve as a public stakeholder body on cultural, economic, and environmental issues relating to California's border region, which is described as the Counties of Imperial and San Diego. In addition, this bill repealed the authority and duties of the California-Mexico Border Relations Council and reassigned them to the California Border Commission. Amendments taken on the Assembly Floor removed the JEDE-related subject matter. Status: Signed by the Governor, Chapter 936, Statutes of 2022.

SB 755 (Roth) Reporting on Training-related Job Placement**: This bill requires the California Workforce Development Board and the Employment Development Department to work collaboratively to measure and report on existing training-related job placement outcomes for individuals receiving job training services provided through the workforce system, including all job training services funded by Title I of the federal Workforce Innovation and Opportunity Act and through grants administered by the board, regardless of the source of the moneys. This measuring and reporting are intended to ensure that job training services investments are linked to regional labor market demand and provide opportunities for upward mobility. Status: Signed by the Governor, Chapter 815, Statutes of 2022.

SB 777 (Bradford) California Jump Start: This bill would have enacted the California Jumpstart Act, which directed the California Pollution Control Financing Authority to allocate up to \$300 million in credits against the gross premiums tax to investors in relief funds, as defined. Status: Held in the Assembly Committee on Revenue and Taxation, 2022.

SB 808 (Roth) Made in California Label: This bill would have modified the Made in California Program by removing the requirements that the finished product could lawfully use the "Made in USA" label, and that a qualified third party verifies that the company and labeled products meet the requirements of the state program. The bill retained the requirement for re-certification every three years; however, the company would self-certify its compliance. Enforcement of potential fraudulent activity under the Consumer Legal Remedies Act was also retained, which allows an individual or group of individuals to seek damages through the civil courts. Status: Died without further action in the Assembly Committee on Appropriations, 2022.

SB 905 (Skinner) Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act**: This bill establishes the Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act. The bill requires the Air Resources Board (ARB) to award funding to up to five geologic carbon

sequestration pilot projects that meet specified environmental and labor requirements. Status: Signed by the Governor, Chapter 359, Statutes of 2022.

SB 1013 (Atkins) Wine Bottle Recycling**: This bill requires a wine direct shipper permit-holder, before sending any shipment to a resident of California, to register with the Department of Resources Recycling and Recovery as a beverage manufacturer and distributor under the California Beverage Container Recycling and Litter Reduction Act. Status: Signed by the Governor, Chapter 610, Statutes of 2022.

SB 1075 (Skinner) Green Hydrogen**: This bill requires the State Energy Commission, as part of the 2023 and 2025 editions of the integrated energy policy report, to study and model potential growth for hydrogen and its role in decarbonizing, as defined, the electrical and transportation sectors of the economy, and helping to achieve specified goals. The bill also requires the California Air Resources Board, in consultation with the State Energy Commission and the Public Utilities Commission, to prepare and post on their internet website by June 1, 2024, an evaluation of the use of green hydrogen, in the state to help achieve the state's climate, clean energy, and clean air objectives. Status: Signed by the Governor, Chapter 363, Statutes of 2022.

SB 1084 (Hurtado) Property Ownership by Foreign Entities**: This bill would have prohibited foreign governments from purchasing, acquiring, leasing, or holding an interest in California agricultural land, and would have required the California Department of Food and Agriculture to compile an annual report on foreign ownership of agricultural land, water rights, desalination facilities, energy production, energy storage, and energy distribution in the state. Status: Vetoed by the Governor, 2022. The veto message states: *“Federal law requires foreign governments to report interests in agricultural land to the United States Department of Agriculture (USDA), and USDA compiles this information annually into a public report. The additional data reporting required by this bill is beyond CDFA's purview and would create new and arduous responsibilities for the department.”*

SB 1101 (Caballero) Carbon Sequestration and Carbon Capture**: This bill would have established the Geologic Carbon Sequestration Group to provide independent expertise and regulatory guidance to the State Air Resources Board including providing all of the following:

- Identification of suitable locations of Class VI injection wells, as defined.
- Identification of appropriate subsurface monitoring to ensure geologic sequestration of the injected carbon dioxide.
- Identification of hazards that may require the suspension of carbon dioxide injections.

Status: Died without further action on the Assembly Floor, 2022.

SB 1104 (Gonzalez) Office of Freight: This bill would have established the Office of Freight within GO-Biz to serve as the coordinating entity for issues related to growth, competitiveness, and sustainability of freight movement. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1136 (Portantino) CEQA Expedited Environmental Review**: This bill expands the environmental review process for California Air Resources Board to apply the same standards that apply to regulations related to the installation of pollution control equipment or a performance standard

to regulations relating to the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants. Status: Vetoed by the Governor, 2022. The veto message states: *“I share the author's goal in seeking ways to streamline and accelerate critical projects to reduce greenhouse gas emissions. However, this bill restricts CARB from using standard California Environmental Quality Act streamlining tools for environmentally beneficial regulations.*

“In addition, this bill would create significant delays in the promulgation of environmentally beneficial regulations. This bill also exposes state and local public agencies to new litigation risks and results in millions of dollars in costs not accounted for in the budget.

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget.”

SB 1251 (Gonzalez) Office of the Zero-Emission Vehicle Equity Advocate**: This bill codifies the existing zero-emission vehicle unit within GO-Biz and names the unit the “Zero-Emission Vehicle Market Development Office.” The bill specifies that the unit will continue to be administered by a deputy director appointed by the Governor and charges the unit with the development of a shared, cross-agency definition of equity, which will be used to develop an equity action plan for the deployment of light-, medium-, and heavy-duty zero-emission vehicles, the supporting infrastructure, and workforce development. Until January 1, 2028, the unit is authorized to hire a Zero-Emission Vehicle Equity Advocate appointed by the Governor. Status: Signed by the Governor, Chapter 372, Statutes of 2022.

SB 1226 (Durazo) JPAs for Zero-Emission Transportation Facilities**: This bill authorizes a private, non-profit corporation that provides services for zero-emission transportation to enter into a joint powers agreement with a public agency to facilitate the development, construction, and operation of zero-emission transportation systems or facilities. Status: Signed by the Governor, Chapter 423, Statutes of 2022.

SB 1325 (Gonzalez) California Techquity Innovation Program: This bill would have required GO-Biz to establish a California Techquity Innovation Program, which support underserved and underrepresented entrepreneurs, technology accelerators, incubators, fully accredited institutions of higher education, local governments, and public-private partnerships that support, advise, and uplift underrepresented entrepreneurs. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1349 (Caballero) California New Employment Credit**: This bill, a tax levy, would have expanded the currently significantly underutilized New Employment Credit by repealing the requirement that work must be performed by the qualified full-time employee in a designated target area, revises the definition of a qualified employee to conform with the definition used to claim a federal work opportunity credit (WOTC), and makes other technical changes. Status: Held under Submission in the Assembly Appropriations Committee, 2022.

SB 1399 (Wieckowski) Carbon Capture Technology Demonstration Project Grant Program**: This bill would have required the California Energy Commission to establish the Carbon Capture Technology Demonstration Project Grant Program on or before September 30, 2024, to deploy and commercialize carbon capture technologies that significantly improve the efficiency, effectiveness, cost, emissions reductions, and environmental performance of existing industrial facilities, natural gas electric generation facilities, and biomass electric generation facilities. Status: Died without further action in the Assembly Committee on Natural Resources, 2022.

Section VIII – Removing Regulatory Barriers to Economic Growth

Small businesses form the core of California's \$31 trillion economy. Research shows that net new job creation is strongest among businesses with less than 20 employees, that small businesses have historically led the state's local and regional economies out of recessions, and that these businesses are essential to the state's global competitiveness by meeting niche industry needs.

Reflective of their important role, the JEDE Committee Members have consistently voted to support legislation that helps the state transition into a more small business friendly regulatory environment. The JEDE Committee maintains that it is possible to have a regulatory process that both recognizes the unique compliance challenges small businesses face while still maintaining public health and safety standards.

Cost of Regulations on Business

Upon an initial review, the cost and impact of government regulations on the private sector can be difficult to identify. Unlike many government actions, such as the receipt of grants or the payment of taxes, the direct costs of regulatory compliance are multidimensional and become integrated within the firm's overall business operations. Even more difficult than identifying these cost impacts would be to produce a comprehensive list of regulatory influences on business operations.

There are two major sources of data on the cost of regulatory compliance on businesses: the federal Small Business Administration (SBA) and the state Office of the Small Business Advocate (OSBA). In 1995, the federal SBA began conducting peer-reviewed studies that analyze the cost of federal government regulations on businesses of different sizes. This research has regularly shown that small businesses continue to bear a disproportionate share of the federal regulatory burden. On a per-employee basis, small businesses face regulatory costs, which are 36% higher than the regulatory costs facing large firms (defined as firms with over 500 employees).

The OSBA released the first study on the impact of California regulations on small businesses in 2009. This first-in-the-nation study found that the total cost of regulations to small businesses in California averaged about \$134,000 per business, based on 2007 data. While no one would advocate for a state to have zero regulations, the report importantly identifies that government regulations add a significant cost to the everyday operations of a California business.

Hearing testimony from small businesses has identified a number of factors that add to the regulatory burden and inhibit the success of California small businesses. Examples include:

- Regulations designed to address abuses by large employers, which are not modified to reflect the likely very limited activity and the compliance capacity of non-employer and small employer firms.
- Multiple definitions of small business in state law.
- The ineffective implementation of existing laws that are designed to encourage the adoption of regulatory frameworks based on size.

- The lack of e-commerce solutions to address outdated paperwork requirements.
- Repetitive testing and compliance reviews of similar issues from various state divisions and programs.
- Procurement requirements that de facto favor larger size bidders.
- A lack of technical assistance to support regulatory compliance.

Regularly updating the state report on the cost of regulatory compliance would be an effective means for the state and its individual agencies, departments, boards, and commissions to gain a better understanding of how various implementation models impact private sector costs, including small businesses and nonprofits.

The Federal Small Business Model

California's OSBA and several other regulatory processes are based on federal laws implemented to address the regulatory challenges of smaller size entities. The cornerstone of the federal model is comprised of the Federal Office of Advocacy (FAO) and the Office of the National Ombudsman (ONA). Collectively, these two offices work with other federal agencies to implement more flexible regulatory frameworks while amplifying the needs of small entities, including small businesses, small nonprofits, and small government jurisdictions.

Established in 1976, the primary purpose of the FAO is to identify and provide expert testimony on small business regulatory compliance issues before rulemaking government entities. The ONA was established 20 years later to better support small businesses experiencing compliance problems with existing federal regulations.

Support for Small Businesses Engaging with Government Entities

In addition to establishing the ONA, the Small Business Regulatory Enforcement Fairness Act of 1996 (Small Business Regulatory Enforcement Fairness Act) charges each federal agency with designating a Small Business Regulatory Fairness Representative (RFR). Under this federal framework, the ONA serves as an "ambassador" that has the authority to act on the behalf of small businesses when they are confronting compliance issues with federal agencies. The RFR can also provide technical advice to the small entity, as well as enforce or follow-up on agreements ONA negotiated between the small business and the regulatory body.

Notably, federal regulatory support for small entities particularly focuses on potentially excessive enforcement actions by federal agencies. Excessive enforcement may include repetitive audits or investigations, excessive fines, penalties, threats, retaliation, or other unfair enforcement action.

As an impartial liaison, the ONA can talk with a small business about their concerns and then submit written comments on behalf of the small business to the appropriate agency for high-level fairness review. Being part of the SBA allows the ONA to work across federal agencies and to seek reasonable resolutions to small business challenges. The ONA, among other activities, publishes an annual report which rates federal agencies' compliance with the Small Business Regulatory Enforcement Fairness Act using criteria such as timeliness and quality of responses.

Advocacy for Regulatory Flexibility on New Rules

Another important component of the model is the federal Regulatory Flexibility Act of 1980 (Federal Regulatory Flexibility Act), which places new duties on federal agencies when adopting and amending regulations to reflect the disproportionate burden regulations place on small businesses as compared to larger ones. These duties require federal rulemaking agencies to consider the impact of their proposed rules on small entities, including, as noted above, small businesses, small government jurisdictions, and small nonprofits.

If the rulemaking agency determines that the proposed rule or amendment may have “significant economic impact on a substantial number of small entities,” the Federal Regulatory Flexibility Act requires the rulemaking agency to consider alternative implementation schemes or provide specific flexibility within the rule in order to minimize the regulatory burden while still achieving the rule’s purpose. Further, the Federal Regulatory Flexibility Act requires the rulemaking agency to explain why the specific alternative chosen is optimal, as compared to other options.

To assist federal agencies in implementing both the Federal Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act, the Federal Office of Advocacy (FAO) reviews federal regulations and makes its own recommendations to agencies on how to reduce the burden and maximize small entity participation with the federal government. In 2021, the FAO issued 19 letters to federal agencies requesting alternative implementation methods and encouraging better technical review of proposed regulations. Key issues raised included the federal agency failing to consider significant alternatives, inadequate analysis of small entity impacts, and a lack of outreach to small business entities likely impacted by the proposed regulation.

In addition to formal comment letters, the FAO also convenes issue-specific Small Business Advocacy Review Panels pursuant to the Small Business Regulatory Enforcement Fairness Act. Utilizing the FAO facilitation authority has proven to be particularly useful in developing detailed comments and making technical recommendations to rulemaking agencies that appropriately respond to the key policy objectives while lessening a proposed rule’s impact on small entities. FAO actions led to \$3.277 billion in quantifiable regulatory cost savings for small entities in FY 2021.

During 2021, the FAO also hosted 20 small business roundtables and conducted nine training sessions with 290 attendees to help federal officials become more familiar with the federal Regulatory Flexibility Act of 1980.

In addition to the Small Business Advisory Review Panels, there are ten Regional Regulatory Fairness Boards (RRFB) that meet in local communities across the nation and help to identify small business issues. The FOA and the RRFB often work together in collecting comments on pending major regulations. Most recently, the RRFB and the FAO held joint hearings on the regulations related to the federal Domestic Hemp Production Program.

The Federal Regulatory Flexibility Act also requires federal agencies to undertake a retrospective review of existing regulations that have a significant impact on small businesses. As part of this review, the rulemaking agency is required to consider the following:

- To what extent is there a continued need for the regulation?
- Have there been complaints or comments from the public regarding the regulation that should be addressed?
- Is the regulation overly complex?
- Does the regulation duplicate or conflict with federal, state, or local rules?
- Given the time since the adoption or amendment of the rule, to what degrees have technology or other factors changed?

Once the retrospective review is complete, the federal rulemaking agency is able to determine whether modifications are necessary to reduce the adverse impact of the rule on small entities.

California's Small Business Regulatory Model

At its core, the federal small business regulatory framework provides a process for assessing and mitigating the potential negative impact of federal regulations on small entities, including small businesses. The process includes the publication of an annual regulatory agenda, an initial and final regulatory flexibility analysis, periodic reviews of existing regulations, assistance with compliance, and special judicial review provisions.

California regulatory rulemaking laws include a majority of the key elements of the federal regulatory flexibility model. As an example, existing state law sets forth an extensive process for the development and adoption of regulations, including requiring the identification of potential adverse impacts on small businesses and individuals. California law further states that the purpose of the rulemaking process is to avoid the imposition of unreasonable and unnecessary regulations or compliance requirements.

California law, however, is lacking several elements of the federal model, and the value placed on these activities by the state is significantly less. As an example, the state does not include the retroactive review and the scope does not include small nonprofits and small government entities. It is also common for state rulemaking agencies to dismiss small business concerns based on overriding policy implications, rather than adopting specific compliance options.

The lack of state government support, including no dedicated staff for regulatory compliance within the OSBA, weakens the impact of state law. California's regulatory law is a very open and public process, which provides many advantages. However, California's rulemaking process relies on interested parties' abilities to track various state agencies, understand the larger goals of the state policy, and submit appropriate alternatives to proposed rules in a timely fashion. In the federal model, the FAO, NOA, and the RRFBs help ensure that the broader needs of small entities are identified, and that professionally written alternatives and enforcement options are available for rulemaking agencies to consider when adopting new regulations or engaging with small entities.

Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to the removal of regulatory barriers to economic growth. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in *Section X*.

AB 45 (Aguiar-Curry) Industrial Hemp Products**: This bill establishes a regulatory framework for industrial hemp under the Sherman Food, Drug, & Cosmetic Law, also referred to as the Sherman Law. The bill requires manufacturers of products containing industrial hemp or hemp products to obtain a process food registration and comply with good manufacturing practices. Status: Signed by the Governor, Chapter 576, Statutes of 2021.

AB 61 (Gabriel) Business Pandemic Relief**: This bill authorizes the Department of Alcoholic Beverage Control to permit licensees to exercise license privileges in an expanded license area authorized pursuant to a COVID-19 Temporary Catering Authorization, as specified. Further, the bill also authorizes the department to extend the period of time during which the COVID-19 Temporary Catering Authorization is valid beyond 365 days if the licensee has filed a pending application with the department for the permanent expansion of their premises before the 365-day time period expires. In addition, the bill, for a period of one year after the end of the COVID-19-related state of emergency, or until January 1, 2024, whichever occurs first, authorizes a permitted food facility within any local jurisdiction that is subject to retail food operation restrictions related to a COVID-19 public health response to prepare and serve food as a temporary satellite food service without obtaining a separate satellite food service permit or submitting written operating procedures, as specified. Status: Signed by the Governor, Chapter 651, Statutes of 2021.

AB 240 (Rodriguez) Local Health Department Workforce**: This bill would have required the California Department of Public Health to conduct an evaluation of the adequacy of the local health department infrastructure and to make recommendations for future staffing, workforce needs, and resources, in order to accurately and adequately fund local public health. Status: Vetoed by the Governor, 2022. Implementation of the bill would have been contingent upon sufficient funding from state, federal, or private funding to support an advisory group and specified evaluation contract. The veto message stated: *“California is a model for the nation in our public health preparedness, response, and ongoing investment. My administration is committed to transforming our state's public health system to reduce health disparities and improve health equity - all reasons why the Budget includes \$300 million General Fund for public health infrastructure, which includes \$200 million for local health departments to build up core public health functions, while also helping to close workforce gaps. I believe we should turn our focus to utilizing the resources received in the Budget for this transformation, which calls for immediate action on recruitment and hiring to support a modern and innovative public health system.”*

AB 511 (Muratsuchi) Securities Transactions and Crowd Funding**: This bill exempts crowdfunded equity offerings from certain state securities qualifications requirements under specified conditions and requires a court to award reasonable attorney's fees and costs to a prevailing purchaser or seller for specified violations of state securities law. Status: Signed by the Governor, Chapter 617, Statutes of 2021.

AB 661 (Bennett) Recycled Content and State Procurement:** This bill modifies the State Agency Buy Recycled Campaign (SABRC). Among other changes, the bill requires:

- The Department of Resources Recycling and Recovery (CalRecycle), with the concurrence of the Department of General Services (DGS) and in consultation with impacted agencies, to update the list of identified products and update the minimum recycled content percentages commencing January 1, 2026, and every three years thereafter;
- A state agency to purchase recycled products instead of nonrecycled products whenever recycled products are available at no more than 10% greater total cost than nonrecycled products, as specified;
- CalRecycle to update the list of products and minimum recycled content percentages, as specified
- DGS to maintain procedures for complying with SABRC, as specified.

Status: Signed by the Governor, Chapter 517, Statutes of 2022.

AB 676 (Holden) Franchises:** This bill modifies a range of provisions in the California Franchise Relations Act and the Franchise Investment Law, including the establishment of new requirements and prohibitions for franchise agreements. Status: Signed by the Governor, Chapter 728, Statutes of 2022.

AB 888 (Levine) Mobile Slaughter Facilities:** This bill authorizes small- and medium-scale livestock producers to utilize mobile slaughter operations, providing more options to safely harvest goats, sheep, and swine on the ranch where they are raised. Status: Signed by the Governor, Chapter 378, Statutes of 2021.

AB 1001 (Cristina Garcia) Air Quality Impacts and Environmental Justice:** This bill would have modified California Environmental Quality Act (CEQA) to, among other things, (a) require direct mitigation to affected communities to compensate for adverse air or water quality impacts and (b) require all public agencies implementing CEQA to give consideration to the principles of environmental justice by ensuring the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins. Status: Died without further action in the Senate Committee on Environmental Quality, 2022.

AB 1571 (JEDE) Small Business Regulatory Relief: This bill would have delivered regulatory relief to small businesses during a state of emergency by either exempting them from compliance until after the state of emergency or, in the case the regulation is necessary to address the emergency or a serious and immediate health and safety issue, providing small businesses with sufficient time to learn about and implement the new regulation. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1573 (JEDE) Small Business Retention Program: This bill would have established a supplemental grant program within the Small Business Technical Assistance Expansion Program for the purpose of supporting local small business retention programs. Status: Vetoed by the Governor, 2022. The veto message states: "*Small businesses are critical drivers of California's economic growth and building wealth in communities. That is why the 2022-23 State Budget invests an additional \$6 million this year and \$26 million ongoing to permanently extend SB TAP. The budget also provides \$20 million to expand the number of innovation Hubs and \$8 million to support Women's Business Centers. These investments reflect the shared commitment of my administration and the Legislature to*

invest in small businesses. However, this bill creates a new supplemental grant program not accommodated for in the budget.

"With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. The Legislature sent messengers with potential costs of well over \$20 billion in one-time spending and more than \$10 billion in ongoing commitments not accounted for in the Budget Act. Creating new grant programs and expanding eligibility of existing programs should be considered and accounted for as part of the annual budget process."

AB 1717 (Aguiar-Curry) Definition of Public Works**: This bill would have expanded the definition of public works for the purpose of the payment of prevailing wages to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural road fuel breaks, fire breaks, and vegetation management. Status: Vetoed by the Governor, 2022. The veto message states: *"My administration has worked tirelessly to cut red tape and distribute grant money quickly to cities, counties, special districts, and non-profits to fund fire mitigation projects. I wholeheartedly support prevailing wages for industries that do not pay livable wages to people completing public works projects. I am concerned that adding these projects to the definition of "public works" would introduce delays to critical fire mitigation projects necessary to protect vulnerable communities in the state. Such delays are a function of the administrative requirements that are imposed when executing a public works project.*

"I am directing my administration to work with the Legislature and sponsors of this bill to further examine this issue and propose solutions to ensure that we are both paying this critical workforce fairly while not unduly delaying these projects that protect people's lives and livelihoods. I look forward to working with the Legislature on this important issue in the next legislative session."

AB 1776 (Gallagher) Resource Conservation Districts and Prompt Payments**: This bill expands the requirements of the California Prompt Payment Act to include resource conservation districts, as specified. Status: Signed by the Governor, Chapter 455, Statutes of 2022.

AB 1854 (Boerner Horvath) Unemployment Insurance and Work Sharing Plans**: This bill authorizes the use of electronic signatures on all work sharing plan documents and removes the sunset on the use of the electronic portal for submitting documents. Status: Signed by the Governor, Chapter 112, Statutes of 2022.

AB 2269 (Grayson) Digital Financial Asset Business Regulation**: This bill would have established a licensing and regulatory framework, administered by the Department of Financial Protection and Innovation, for digital financial asset activity. Status: Vetoed by the Governor, 2022. The veto message states: *"Digital assets are becoming increasingly popular in our financial ecosystem, with more consumers buying and selling cryptocurrencies each year. I share the author's intent to protect Californians from potential financial harm while providing clear rules for crypto-businesses operating in this state.*

"On May 4, 2022, I issued Executive Order N-9-22 to position California as the first state to establish a transparent regulatory environment that both fosters responsible innovation, and protects consumers who use digital asset financial services and products - all within the context of a rapidly evolving

federal regulatory picture. Over the last several months, my Administration has conducted extensive research and outreach to gather input on approaches that balance the benefits and risk to consumers, harmonize with federal rules, and incorporate California values such as equity, inclusivity, and environmental protection.

“It is premature to lock a licensing structure in statute without considering both this work and forthcoming federal actions. A more flexible approach is needed to ensure regulatory oversight can keep up with rapidly evolving technology and use cases, and is tailored with the proper tools to address trends and mitigate consumer harm. Additionally, standing up a new regulatory program is a costly undertaking, and this bill would require a loan from the general fund in the tens of millions of dollars for the first several years. Such a significant commitment of general fund resources should be considered and accounted for in the annual budget process.

“I am committed to working collaboratively with the Legislature to achieve the appropriate regulatory clarity once federal regulations come into sharper focus for digital financial assets, while ensuring California remains a competitive place for companies to invest and innovate.”

AB 2737 (Carrillo) Air Pollution and Purchase of New Drayage Trucks**: This bill exempts a rental or leasing entity from increased workforce standard requirements applied to new vehicle fleet purchasers who utilize state grants or incentives. Status: Signed by the Governor, Chapter 213, Statutes of 2022.

SB 389 (Dodd) Food to Go**: This bill authorizes restaurants, bars, breweries, and wineries that sell food to offer to-go alcoholic beverages with food orders through December 31, 2026. The bill builds on regulatory relief provided through an executive order in June 2021. Status: Signed by the Governor, Chapter 657, Statutes of 2021.

SB 1136 (Portantino) CEQA Expedited Environmental Review**: This bill expands the environmental review process for California Air Resources Board to apply the same standards that apply to regulations related to the installation of pollution control equipment or a performance standard to regulations relating to the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants. Status: Vetoed by the Governor, 2022. The veto message states: *“I share the author's goal in seeking ways to streamline and accelerate critical projects to reduce greenhouse gas emissions. However, this bill restricts CARB from using standard California Environmental Quality Act streamlining tools for environmentally beneficial regulations.*

“In addition, this bill would create significant delays in the promulgation of environmentally beneficial regulations. This bill also exposes state and local public agencies to new litigation risks and results in millions of dollars in costs not accounted for in the budget.

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget.”

Section IX. Transitioning to a Net-Zero Economy

There is a general consensus among scientists that 2030 is a decisive endpoint by which the global average temperature rise will remain below 2C. For policymakers, this has meant an acceleration of actions, including some previously earmarked for 2035 and beyond.

On his first day in office (January 20, 2021), President Biden signed documents to bring the US back into the Paris Agreement. In addition to rejoining the Paris Agreement, President Biden announced a US greenhouse gas (GHG) reduction target of 50-52% by 2030, compared to 2005 levels. The Biden Administration has also committed to creating “good-paying, union jobs to build a modern and sustainable infrastructure, deliver an equitable clean energy future, and put the United States on a path to achieve net-zero emissions, economy-wide, by no later than 2050.”

As California continues to take steps to reach necessary climate goals, the state has also begun to develop and implement more integrated policies that also ensure inclusive economic progress while achieving those GHG emission reductions. By offering businesses and workers a rational pathway toward a more vibrant, creative, and successful economy, the state can mitigate the negative impacts of such an unprecedented economic transition. *Chart X* displays a selection of key climate change actions taken by the state since 2005.

During the 2021-22 Session, California Governor Newsom made a number of significant climate announcements in which he called for, among other things, the initiation of a regulatory action to end the issuance of new permits for hydraulic fracturing (“fracking”) by January 2024.

The Governor also directed the California Air Resources Board (CARB) to evaluate how to phase out oil extraction by 2045. These announcements expand on state policies implemented through a September 2020 executive order, which called for an end to fracking and acceleration of the state’s transition away from gasoline-powered cars and trucks and reduced demand for fossil fuels.

Selection of Climate Goals and Significant Actions		
State Government Action	Key Feature(s) and Recommendations	Status
CA’s first Climate Reduction Targets (Executive Order S-3-05)	Reduce emissions from the industrial, energy, and transportation sectors by 80% below 1990 levels by 2050	Issued in 2005
AB 32 (Nunez) Global Warming Solutions Act	Creates a statewide greenhouse gas (GHG) emission limit that would reduce emissions by 25% by 2020.	Enacted, Chapter 488, Statutes of 2015
Sustainable Freight Plan and Executive Order B-32-15	(1) Improve freight efficiency by 25% by 2030. (2) Transition to zero emission technologies by 2030 (3) Increase the competitiveness of California’s freight transport system.	Executive Order issued in 2016 and the Plan was published in July 2016. The third target related to competitiveness has never been set. No updates undertaken.

2017 Scoping Plan Update	Lays out a set of actions to reduce GHG emissions by 40% below 1990 levels by 2030	Adopted by CARB November 2017
AB 398 (E. Garcia) Global Warning Solutions Act II	(1) Extends the California Air Resources Board's (CARB) cap and trade authority through 2030. (2) Requires CARB, in adopting a cap and trade regulation, to establish a price ceiling and off-set credit limits. (3) Requires the CWDB, in consultation with CARB, no later than January 1, 2019, to report to the Legislature on the need for increased education, career technical education, job training, and workforce development resources to help industry, workers, and communities transition to GHG emissions reduction goals.	Enacted, Chapter 135, Statutes of 2017
SB 100 California Renewables Portfolio Standard Program	(1) 50% retail procurement target for renewable resources by 12-31-2026, and 60% target by 12-31-2030. (2) 44% of retail sales by 12-31-2024, 52% by 12-31-2027, and 60% by 12-31-2030.	Enacted, Chapter 312, Statutes of 2018
AB 398 Report "Putting California on the High Road: A Jobs and Climate Action Plan for 2030"	(1) Identify the most vulnerable industries, firms, and localities and develop a set of the most likely job disruption scenarios through 2030. (2) Support regions in undertaking an economic analysis of the most promising emerging high-road industries and jobs. (3) Work with at-risk communities, labor, and business through regional industry partnerships/HRTPs to develop and propose elements for inclusion in transition programs, including creating job opportunities for workers from disadvantaged communities.	Issued September 2020
Executive Order N-79-20	(1) Directs the California Labor Agency and OPR to develop the state's first "Just Transition Roadmap," consistent with the recommendations in the AB 398 report by July 2021. (2) Directs CalEPA and the CA Natural Resources Agency to develop recommendations by July 2021 to manage and expedite the responsible closure and remediation of former oil extraction sites as the state transitions to a carbon-neutral economy. And to develop an action plan on how to expedite the repurposing and transitioning of upstream and downstream oil production facilities. (3) Directs CARB to develop and propose strategies to continue to reduce the carbon intensity of fuels beyond 2030.	Issued September 2020. No roadmap released as of November 2022.
2022 Scoping Plan Update	Reduce GHG emission by at least 40% below 1990 emissions by 2030 and achieve carbon neutrality by 2045 or earlier	Pending before CARB

<p>AB 1279 (Muratsuchi and Christina Garcia) Carbon Neutrality</p>	<p>Declares that it is the policy of the state both to achieve net zero GHG emissions as soon as possible, but no later than 2045, and to ensure that by 2045, statewide anthropogenic GHG emissions are reduced to at least 85% below the 1990 levels.</p>	<p>Enacted, Chapter 337, Statutes of 2022</p>
<p>SB 1020 (Laird) Interim Clean Electricity Goals</p>	<p>Creates clean electricity targets of 90% by 2035 and 95% by 2040 with the intent of supporting the state in reaching the existing goal of 100% clean electricity retail sales by 2045.</p>	<p>Enacted, Chapter 361, Statutes of 2022</p>

There has long been a call for the state to get ahead of these climate directives by taking concrete actions to pre-emptively engage workers, businesses, and communities who will be directly impacted by the transition to a lower carbon economy. Some have referred to the policies as fostering a “just transition” policy agenda. The Assembly Jobs Committee, which has previously hosted a hearing on the issue, uses the term “just transition” to refer to intentional actions and investments that result in new economic opportunities, sustainable business enterprises, vibrant communities, and viable career pathways for those potentially displaced, disenfranchised, or otherwise impacted by climate change.

Up until 2020, CA primarily managed its GHG emission reduction activities through a Scoping Plan developed and approved by the California Air Resources Board. As a strictly regulatory tool, the Scoping Plan is a set of loosely related actions designed to achieve specified GHG emission reductions and does not set forth a comprehensive and integrated transition strategy to a carbon-neutral economy. Even as the Legislature makes additional modifications to the law (noted in the chart), the Scoping Plan process continues to provide very limited success in supporting an inclusive transition or assessing the impact of its specific actions on workers, businesses, and communities.

Further impeding the state’s economic transition to a net-zero economy is the lack of any overarching economic development strategy to guide and track economic growth and sustainability. Relative to the workforce, the state has no single workforce development strategy and, instead, requires multiple workforce plans that address different education and workforce training segments, including, but not limited to, different plans to draw down federal Workforce Innovation Opportunity Act funds and separate strategies for each of the higher education systems of higher education.

In 2021, the Legislature approved and the Governor signed legislation to create a \$600 million Community Economic Resiliency Fund (CERF) Program to finance the convening of 13 regional high road transition collaboratives, each of which is charged with preparing a region- and industry-specific economic recovery and transition strategy. [*SB 162 (Budget), Chapter 259, Statutes of 2021*]

By strengthening regional economies, the program anticipates addressing the lingering economic fallout from the COVID-19 pandemic and helping regions mitigate and buffer the impacts of the state’s transition to a carbon-neutral economy. Once completed, the regional strategies will provide a framework for accessing \$550 million in project-based funds, as well as other funding the Legislature and Governor choose to align with the regional priorities identified in the recovery and transition strategies.

Below is a graphic prepared by the Little Hoover Commission displaying the 13 regions in California



Legislation from 2021-22 Session

Below is a summary of the legislation heard by or of interest to JEDE during the 2021-22 Legislative Session relating to climate change and the state's transition to a net-zero emission economy. Legislation not heard by JEDE is marked with asterisks (**). Related hearings are summarized in *Section X*.

AB 128 (Ting) 2021-22 State Budget**: This bill makes amendments to the 2021-22 state budget. Status: Signed by the Governor, Chapter 21, Statutes of 2021.

AB 161 (Ting) 2021-22 State Budget Junior**: This bill makes amendments to the 2021-22 state budget. Status: Signed by the Governor, Chapter 43, Statutes of 2021.

AB 164 (Ting) 2021-22 State Budget Junior Two**: This bill makes amendments to the 2021-22 state budget. Status: Signed by the Governor, Chapter 84, Statutes of 2021.

AB 176 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of economic development appropriations in the 2022-23 Budget, including, but not limited to, the California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Competes Grant Program, and the motion picture film credit. Status: Signed by the Governor, Chapter 256, Statutes of 2022.

AB 178 (Assembly Budget) 2022-23 State Budget Junior**: This bill makes amendments to the 2022-23 state budget. Status: Signed by the Governor, Chapter 45, Statutes of 2022.

AB 179 (Assembly Budget) 2022-23 State Budget Junior Two**: This bill makes amendments to the 2022-23 state budget. Status: Signed by the Governor, Chapter 249, Statutes of 2022.

AB 180 (Ting) 2021-22 State Budget Junior Three**: This bill makes amendments to the 2021-22 state budget. Status: Signed by the Governor, Chapter 244, Statutes of 2022.

AB 194 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of tax provisions reflected in the 2022-23 Budget, including, but not limited to the Main Street Tax Credit. Status: Signed by the Governor, Chapter 55, Statutes of 2022.

AB 209 (Assembly Budget) Budget Trailer Bill**: This bill, a budget trailer bill, makes numerous provisions related to the implementation of energy and climate appropriations in the 2022-23 Budget, including, but not limited to, the Climate Catalyst Revolving Loan Fund, Climate Innovation Program, Industrial Grid Support and Decarbonization Program, Food Production Investment Program, Hydrogen Program, direct install program to fund the installation of energy efficient electric appliances, program to support offshore wind infrastructure improvements, Carbon Removal Innovation Program, a statewide incentive program for low-carbon building technologies, and the Offshore Wind and Coastal Resources Protection Program. Status: Signed by the Governor, Chapter 251, Statutes of 2022.

AB 680 (Burke) California Jobs Plan Act of 2021: This bill enacts the California Jobs Plan Act of 2021, which requires the California Workforce Development Board to work with the Labor Agency to update, by July 1, 2025, Greenhouse Gas Reduction Fund (GGRF) funding guidelines to ensure that all applicants to GGRF-funded grant programs meet certain standards. Among other requirements, the updated guidelines are required to include fair and responsible employer standards, inclusive procurement policies, and preferences to applicants that demonstrate a partnership with an educational institution or training program targeting residents of under-resourced, tribal, and low-income communities, as defined, in the same region as the proposed project and to applicants that demonstrate the creation of high-quality jobs, as defined. Status: Signed by the Governor, Chapter 746, Statutes of 2021.

AB 794 (Carrillo) Purchase of New Drayage and Short-haul Trucks**: This bill, beginning with the 2022–23 fiscal year, and each fiscal year thereafter, limits participation in specified state incentive programs to only those fleet purchasers of new drayage and short-haul trucks that can demonstrate that they do not have any applicable law violation at the time of applying for the incentive, is not on the list maintained by the Division of Labor Standards Enforcement under Section 2810.4 of the Labor Code, and attests it will retain direct control over the manner and means for the performance of any individual using or driving the vehicle. As part of meeting these requirements, the fleet purchaser is required to attest in writing, among other things, that they will maintain compliance with applicable laws for at least three years from the date of application for incentives or the duration of the incentive agreement, whichever is longer. Status: Signed by the Governor, Chapter 748, Statutes of 2021.

AB 844 (Grayson) Green Empowerment Zone: This bill establishes the Green Empowerment Zone for the Northern Waterfront area of the County of Contra Costa for the purpose of building upon the comparative advantage provided by the regional concentration of highly-skilled energy industry workers by prioritizing access to tax incentives, grants, loan programs, workforce training programs, and private sector investment in the renewable energy sector. Status: Signed by the Governor, Chapter 377, Statutes of 2021.

AB 992 (Cooley) California Clean Truck and Off-Road Vehicle and Equipment Technology Program**: This bill authorizes funding of peer-to-peer truck-sharing platform demonstrations under the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, which is administered by the State Air Resources Board, in conjunction with the State Energy Resources Conservation and Development Commission. The purpose of the program is to fund the development, demonstration, precommercial pilot, and early commercial deployment of zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies. Status: Signed by the Governor, Chapter 624, Statutes of 2021.

AB 1001 (Cristina Garcia) Air Quality Impacts and Environmental Justice**: This bill would have modified California Environmental Quality Act (CEQA) to, among other things, (a) require direct mitigation to affected communities to compensate for adverse air or water quality impacts and (b) require all public agencies implementing CEQA to give consideration to the principles of environmental justice by ensuring the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins. Status: Died without further action in the Senate Committee on Environmental Quality, 2022.

AB 1110 (R. Rivas) Zero-Emission Fleets: This bill would have established the position of the Clean Vehicles Ombudsperson for the purpose of gathering stakeholder input and supporting the Department of General Services (DGS) in developing and issuing statewide contracts or leveraged procurement agreements for use by public agencies to purchase zero-emission fleet vehicles, as defined. Status: Died without further action on the Assembly Inactive File, 2022.

AB 1261 (Burke) Greenhouse Gas Emission Incentive Programs:** This bill requires the Air Resources Board to establish a process to identify any overlap among any incentive programs, as defined, that share the same objectives and to evaluate data on the behavioral changes that result from each of its incentive programs. The state is required to complete this work within three years of receiving an appropriation from the Legislature for these purposes. Status: Signed by the Governor, Chapter 714, Statutes of 2021.

AB 1279 (Muratsuchi and Christina Garcia) Carbon Neutrality:** This bill enacts the California Climate Crisis Act, which declares that it is the policy of the state both to achieve net zero GHG emissions as soon as possible, but no later than 2045, and to ensure that by 2045, statewide anthropogenic GHG emissions are reduced to at least 85% below the 1990 levels. To achieve these goals, the bill requires the California Air Resources Board to work with relevant state agencies to ensure that updates to the scoping plan identify and recommend measures to achieve these policy goals and to identify and implement a variety of policies and strategies that enable carbon dioxide removal solutions and carbon capture, utilization, and storage technologies to advance in California, as specified. Status: Signed by the Governor, Chapter 337, Statutes of 2022.

AB 1322 (Robert Rivas and Muratsuchi) Aviation GHG Reduction Plan: This bill would have required the California Air Resources Board to develop, consistent with federal law, a plan to reduce aviation greenhouse gas emissions and help the state reach its goal of net-zero greenhouse gas emissions by 2045, including a sustainable fuels target for the aviation sector of at least 20% by 2030. Status: Vetoed by the Governor, 2022. The veto message states: *“This bill requires the California Air Resources Board (CARB), on or before July 1, 2024, to develop a plan to reduce greenhouse gas emissions through the production and use of sustainable aviation fuels. This bill would also require CARB, on or before July 1, 2024, to commence implementation of the plan to achieve these goals. While my Administration appreciates the intent of this bill, there are existing opportunities for credit generation from sustainable aviation fuel production under the state’s Low Carbon Fuel Standard.”*

AB 1346 (Berman) Small Off-Road Engines:** This bill requires the state board, by July 1, 2022, consistent with federal law, to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new small off-road engines, as defined. Status: Signed by the Governor, Chapter 753, Statutes of 2021.

AB 1447 (Cooley) Rural Infrastructure Development: This bill would have established the Rural California Infrastructure Act for the purpose of awarding \$1 billion in grants to local agencies for rural infrastructure projects, including fairground maintenance, disaster preparedness, highway or street maintenance or repair, and historic or cultural preservation or repair. Status: Held under Submission in the Assembly Committee on Appropriations, 2021.

AB 1640 (Ward) Regional Climate Networks:** This bill would have authorized the formation of regional climate networks, the development of regional climate adaptation and resilience action plans, and engagement in certain activities to address climate change, as specified. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 1644 (Flora) Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021:** This bill, an urgency measure, exempts certain forest health and fire prevention projects funded by the Greenhouse Gas Reduction Fund from certain standards required by the California Jobs Plan Act of 2021, including fair and responsible employer standards and inclusive procurement policies. Status: Signed by the Governor, Chapter 202, Statutes of 2022.

AB 1717 (Aguiar-Curry) Definition of Public Works:** This bill would have expanded the definition of public works for the purpose of the payment of prevailing wages to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural road fuel breaks, fire breaks, and vegetation management. Status: Vetoed by the Governor, 2022. The veto message states: *My administration has worked tirelessly to cut red tape and distribute grant money quickly to cities, counties, special districts, and non-profits to fund fire mitigation projects. I wholeheartedly support prevailing wages for industries that do not pay livable wages to people completing public works projects. I am concerned that adding these projects to the definition of "public works" would introduce delays to critical fire mitigation projects necessary to protect vulnerable communities in the state. Such delays are a function of the administrative requirements that are imposed when executing a public works project.*

"I am directing my administration to work with the Legislature and sponsors of this bill to further examine this issue and propose solutions to ensure that we are both paying this critical workforce fairly while not unduly delaying these projects that protect people's lives and livelihoods. I look forward to working with the Legislature on this important issue in the next legislative session."

AB 2061 (Ting) Electric Vehicle Charging Infrastructure:** This bill, beginning January 1, 2025, requires the Energy Commission to assess the uptime of charging station infrastructure, including, at a minimum, an assessment of equitable access to reliable charging stations in low-, moderate-, and high-income communities. The bill also requires the Energy Commission to update the assessment every two years and authorizes an individual or company supplying information or data to the Energy Commission to request that the information or data be held in confidence, as specified. Status: Signed by the Governor, Chapter 345, Statutes of 2022.

AB 2204 (Boerner Horvath) Deputy Secretary for Climate:** This bill establishes, subject to appropriation, the position of Deputy Secretary for Climate within the Labor and Workforce Agency. Status: Signed by the Governor, Chapter 348, Statutes of 2022.

AB 2133 (Quirk) GHG Reduction Goals:** This bill would have increased the December 31, 2030 statewide greenhouse gas emission reduction goal from 40% to 55% of 1990 levels. Status: Assembly refused to concur with the Senate amendments, 2022.

AB 2342 (Cervantes) Community Economic Resilience Fund Program: This bill updates the \$600 million California Economic Resilience Fund Program to reflect best economic development practices

and provide statutory assurances of inclusive regional community development plans. Status: Signed by the Governor, Chapter 568, Statutes of 2022.

AB 2350 (Wilson and Grayson) Zero-Emission Aftermarket Conversion Project**: This bill would have required the California Air Resources Board to establish the Zero-Emission Aftermarket Conversion Project by allocating \$2 million annually from the Clean Vehicle Rebate Project to provide rebates for zero-emission vehicle conversions by California vehicle-owners, as specified. Status: Held under Submission on the Suspense File of the Senate Committee on Appropriations, 2022.

AB 2406 (Aguiar-Curry) Intermodal Marine Terminals**: This bill prohibits an intermodal marine container provider or terminal operator from imposing specified extended dwell charges on a motor carrier, beneficial cargo owner, or other intermediary relative to transactions involving cargo shipped by intermodal transport under certain circumstances. These prohibitions are in addition to other charge prohibitions, including prohibitions on imposing per diem, detention, or demurrage charges. Status: Signed by the Governor, Chapter 868, Statutes of 2022.

AB 2737 (Carrillo) Air Pollution and Purchase of New Drayage Trucks**: This bill exempts a rental or leasing entity from increased workforce standard requirements applied to new vehicle fleet purchasers who utilize state grants or incentives. Status: Signed by the Governor, Chapter 213, Statutes of 2022.

AB 2878 (Aguiar-Curry) Forest Biomass Waste Utilization Program**: This bill would have established the Forest Waste Biomass Utilization Program to undertake three activities in collaboration and coordination with certain specified state entities:

- 7) Develop an implementation plan to meet the goals and recommendations of the Forest Biomass Waste Utilization Plan.
- 8) A comprehensive framework to align the state's wood utilization policies and priorities and the focused market strategy required by the Wildfire and Forest Resilience Action Plan.
- 9) A workforce training program that will complement the workforce needs associated with implementation of the biomass utilization program. Status: Held under Submission in the Senate Committee on Appropriations, 2022.

AB 2944 (Petrie-Norris) GHG and Carbon Capture**: This bill would have, beginning January 1, 2023, required additional content be included in the annual report to the Joint Legislative Committee on Climate Change Policies, including an evaluation of how carbon capture, utilization, and sequestration technologies are contributing to the state's efforts to achieve the goals of the California Global Warming Solutions Act of 2006. Status: Dies without further action in the Senate Committee on the Judiciary, 2022.

AB 2953 (Salas) Recycled Materials Local Streets**: This bill requires, to the extent feasible and cost-effective, the California Department of Transportation and a local agency to use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating streets and highways and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method, as specified. Status: Signed by the Governor, Chapter 872, Statutes of 2022.

AJR 30 (Gipson) Federal Funding of Freight: This resolution memorializes the California Legislature's request to the US Congress to pass and the US President to sign the legislation into law providing for a fair allocation of federal transportation funding for freight projects in California, specifically, and on the US Pacific Coast, generally, based on the volume of containerized freight moved. It further calls on the US Department of Transportation and all federal agencies implementing any federal funding statute or regulation for ports or multimodal freight transportation to provide a fair allocation to California and the US Pacific Coast, as specified. Status: Adopted, Resolution Chapter 149, Statutes of 2022.

SB 83 (Allen) Sea Level Rise Revolving Loan Program:** This bill would have required the Ocean Protection Council, in consultation with the State Coastal Conservancy, to develop the Sea Level Rise Revolving Loan Program for the purposes of providing low-interest loans to local jurisdictions to purchase coastal properties identified as vulnerable coastal property, as provided. Status: Vetoed by the Governor, 2021. The veto message states: *I am returning Senate Bill 83 without my signature. This bill requires the Ocean Protection Council to develop the Sea Level Rise Revolving Loan Program to provide low-interest loans to local jurisdictions to purchase coastal properties identified as vulnerable. Unfortunately, it does not comprehensively address the costly activities envisioned, likely to be carried out over decades. Climate-driven sea level rise presents major land-use planning challenges. The scope and scale of the problem, and the work necessary to make sure that California can adapt to rising seas, requires innovative planning approaches and implementation action at the state and local level. Financial tools, such as the one proposed in SB 83, have the potential to play an important role in a portfolio of strategies that will help build coastal resilience in California. However, such an effort should be considered within a comprehensive lens that evaluates properties to be included in a statewide plan. I encourage the author to continue to engage with my Administration as we work together to ensure California's coastal communities and natural resources are resilient to sea level rise.*

SB 85 (Senate Budget Committee) 2020-21 State Budget:** This bill makes amendments to the 2020-21 state budget. Status: Signed by the Governor, Chapter 14, Statutes of 2021.

SB 113 (Senate Budget Committee) 2021-22 Economic Relief Trailer Bill:** This bill, a budget trailer bill, makes numerous provisions related to economic relief actions reflected in the 2021-22 Budget, including, but not limited to those related to the California Small Business COVID-19 Relief Grant Program, federal Hard-Hit Small Businesses, Nonprofits, and Venues Act, and the federal Small Business Relief Act. Status: Signed by the Governor, Chapter 3, Statutes of 2022.

SB 151 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to the California Innovation Hub Program, California Small Business COVID-19 Relief Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Venues Grant Program, California Small Business Development Technical Assistance Expansion Program, and the California Competes Grant Program. Status: Signed by the Governor, Chapter 74, Statutes of 2022.

SB 189 (Senate Budget Committee) 2021-22 State Government Trailer Bill:** This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22

Budget, including, but not limited to those related to the Chief Equity Officer, Administrative Procedure Act, County Assessors' Grant Program, Office of Community Partnerships and Strategic Communications. Status: Signed by the Governor, Chapter 48, Statutes of 2022.

SB 193 (Senate Budget Committee) 2021-22 Economic Development Trailer Bill**: This bill, a budget trailer bill, makes numerous economic development-related provisions reflected in the 2021-22 Budget, including, but not limited to those related to a venture capital program, California Regional Initiative for Social Enterprises Program, California Small Business COVID-19 Relief Grant Program, California Nonprofit Performing Arts Grant Program, California Microbusiness COVID-19 Relief Grant Program, California Small Business Development Technical Assistance Expansion Act of 2018, Local Government Budget Sustainability Fund, California Containerized Ports Interoperability Grant Program, California Competes Grant Program, California Inclusive Innovation Hub Program, Accelerate California: Inclusive Innovation Hub, and the California Investment and Innovation Program. Status: Signed by the Governor, Chapter 68, Statutes of 2022.

SB 239 (Committee on Banking and Financial Institutions) Surplus Investments**: This bill authorizes the State Treasurer to invest surplus state and local funds held in the Pooled Money Investment Account (PMIA) in money market mutual funds that invest exclusively in specified securities and obligations in which the Treasurer is already authorized to invest. The bill also modifies certain collateralization requirements related to a Federal Home Loan Bank (FHLB) letter of credit. Status: Signed by the Governor, Chapter 635, Statutes of 2021.

SB 260 (Wiener) Climate Corporate Accountability Act**: This bill would have enacted the Climate Corporate Accountability Act to require annual reporting by certain entities of their direct and indirect greenhouse gas emissions. Mandated reporting entities would have included a: partnership, corporation, limited liability company, or other business entity formed under the laws of this state, the laws of any other state of the US or the District of Columbia, or under an act of the Congress of the United States with total annual revenues in excess of \$1 billion and that does business in California. Status: Refused passage on the Assembly Floor, 2022.

SB 372 (Leyva) Medium- and Heavy-Duty Fleet Purchasing**: This bill requires the California Pollution Control Financing Authority to establish a program to make financing tools and nonfinancial supports available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. Status: Signed by the Governor, Chapter 639, Statutes of 2021.

SB 502 (Allen) Green Chemistry**: This bill modifies the California's Safer Consumer Products (green chemistry program), based on "perceived shortcomings from its first ten years with regards to the speed of the program to filling existing data gaps." Status: Signed by the Governor, Chapter 701, Statutes of 2022

SB 542 (Limón) Sales and Use Tax Exemption**: This bill would have exempted the sale of a zero-emission truck from payment of sales tax, as specified. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 558 (Caballero) Farmworker Climate Resilience Adaptation Program**: This bill would have established the Farmworker Climate Resilience Adaptation Program, administered by the Strategic Growth Council, to fund the development and implementation of projects to address the needs of farmworkers, their families, and their communities for sustainable and equitable adaptation to the impacts of climate change, such as excess heat, freezes, increased risk from wildfire smoke, pandemics, and economic impacts of drought. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 589 (Hueso) Alternative Vehicles and Vehicle Infrastructure**: This bill expands the content of an existing infrastructure charging station needs assessment, prepared by the State Energy Resources Conservation and Development Commission, to include statewide assessment of the electric vehicle charging infrastructure needs to include workforce development and training resources needed to meet the state goals of putting at least five million zero-emission vehicles in service by 2030 and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030. Status: Signed by the Governor, Chapter 732, Statutes of 2021.

SB 643 (Archuleta) Fuel Cell Electric Vehicle Fueling Infrastructure**: This bill requires the California Energy Resources Conservation and Development Commission to prepare a statewide assessment of the fuel cell electric vehicle fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles. Status: Signed by the Governor, Chapter 646, Statutes of 2021.

SB 671 (Gonzalez) Clean Freight Corridor Efficiency Assessment**: This bill establishes the Clean Freight Corridor Efficiency Assessment, to be developed by the California Transportation Commission, in coordination with other state agencies by December 1, 2023. In developing the Assessment, the bill requires the commission to identify freight corridors, or segments of corridors, throughout the state that would be priority candidates for the deployment of zero-emission medium- and heavy-duty vehicles. The bill requires the commission to submit a report containing the assessment's findings and recommendations to be incorporated into the development of the California Transportation Plan and that the state freight plan include a description of needed infrastructure, projects, and operations for the deployment of zero-emission medium- and heavy-duty vehicles and the development of freight corridors identified in the assessment. Status: Signed by the Governor, Chapter 769, Statutes of 2021.

SB 674 (Durazo) Public Works Contracts**: This bill requires bidders on contracts for the acquisition of zero-emission transit vehicles or electric vehicle supply equipment valued at \$10 million or more to meet specified high road labor standards. Status: Signed by the Governor, Chapter 875, Statutes of 2022.

SB 694 (Bradford) Wildfire Mitigation and Workforce Diversity**: This bill requires investor-owned electrical utilities to include a detailed summary of specified workforce development efforts within its mandated wildfire mitigation plan. These efforts are required to include, but not be limited to, a description of and data on the extent to which the electrical corporation advertises job openings to former and current conservation corps members, including formerly incarcerated conservation crew members. Status: Signed by the Governor, Chapter 733, Statutes of 2021.

SB 852 (Dodd) Climate Resilience Districts**: This bill authorizes a city, county, city and county, special district, or a combination of any of those entities, to form a climate resilience district, as defined, for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. Each district is deemed an enhanced infrastructure financing district and requires each district to comply with related enhanced infrastructure financing district laws, except as specified. Limits projects to those projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified. Status: Signed by the Governor, Chapter 266, Statutes of 2022.

SB 905 (Skinner) Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act**: This bill establishes the Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act. The bill requires the Air Resources Board (ARB) to award funding to up to five geologic carbon sequestration pilot projects that meet specified environmental and labor requirements. Status: Signed by the Governor, Chapter 359, Statutes of 2022.

SB 1020 (Laird) Clean Energy, Jobs, and Affordability Act of 2022**: This bill sets a number of new goals and updates existing goals on the use of renewable energy resources and zero-carbon resources, including supplying 90% of all retail sales of electricity to California end-use customers by December 31, 2035; 95% of all retail sales of electricity to California end-use customers by December 31, 2040; and 100% of electricity procured to serve all state agencies by December 31, 2035 (previously set at 2045). The bill also removes the exclusion of counting toward the state's renewable and zero-emission generation goals, energy produced at Diablo Canyon, as specified. Status: Signed by the Governor, Chapter 361, Statutes of 2022.

SB 1075 (Skinner) Green Hydrogen**: This bill requires the State Energy Commission, as part of the 2023 and 2025 editions of the integrated energy policy report, to study and model potential growth for hydrogen and its role in decarbonizing, as defined, the electrical and transportation sectors of the economy, and helping to achieve specified goals. The bill also requires the California Air Resources Board, in consultation with the State Energy Commission and the Public Utilities Commission, to prepare and post on their internet website by June 1, 2024, an evaluation of the use of green hydrogen, in the state to help achieve the state's climate, clean energy, and clean air objectives. Status: Signed by the Governor, Chapter 363, Statutes of 2022.

SB 1101 (Caballero) Carbon Sequestration and Carbon Capture**: This bill would have established the Geologic Carbon Sequestration Group to provide independent expertise and regulatory guidance to the State Air Resources Board including providing all of the following:

- Identification of suitable locations of Class VI injection wells, as defined.
- Identification of appropriate subsurface monitoring to ensure geologic sequestration of the injected carbon dioxide.
- Identification of hazards that may require the suspension of carbon dioxide injections.

Status: Died without further action on the Assembly Floor, 2022.

SB 1123 (Caballero) Resilience Navigators Program**: This bill would have required the Governor's Office of Planning and Research to develop the Resilience Navigators Program within the existing Integrated Climate Adaptation and Resilience Program to provide information and guidance to potential applicants for state programs that offer financial assistance related to climate resilience. The

bill would have also required the California Natural Resources Agency to develop an interactive internet website that displays the state’s climate adaptation strategy; and coordinated, science-based approaches for measuring the performance and outcomes of state investments that support the implementation of the state’s climate adaptation strategy. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1136 (Portantino) CEQA Expedited Environmental Review**: This bill expands the environmental review process for California Air Resources Board to apply the same standards that apply to regulations related to the installation of pollution control equipment or a performance standard to regulations relating to the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants. Status: Vetoed by the Governor, 2022. The veto message states: *“I share the author's goal in seeking ways to streamline and accelerate critical projects to reduce greenhouse gas emissions. However, this bill restricts CARB from using standard California Environmental Quality Act streamlining tools for environmentally beneficial regulations.*

“In addition, this bill would create significant delays in the promulgation of environmentally beneficial regulations. This bill also exposes state and local public agencies to new litigation risks and results in millions of dollars in costs not accounted for in the budget.

“With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

“The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget.”

SB 1145 (Laird) GHG Emission Dashboard**: This bill requires the California Air Resources Board to create and maintain on its internet website, a greenhouse gas emissions dashboard that provides updated publicly available information regarding how the state is progressing toward meeting its statewide climate change goals. Status: Signed by the Governor, Chapter 366, Statutes of 2022.

SB 1251 (Gonzalez) Office of the Zero-Emission Vehicle Equity Advocate**: This bill codifies the existing zero-emission vehicle unit within GO-Biz and names the unit the “Zero-Emission Vehicle Market Development Office.” The bill specifies that the unit will continue to be administered by a deputy director appointed by the Governor and charges the unit with the development of a shared, cross-agency definition of equity, which will be used to develop an equity action plan for the deployment of light-, medium-, and heavy-duty zero-emission vehicles, the supporting infrastructure, and workforce development. Until January 1, 2028, the unit is authorized to hire a Zero-Emission Vehicle Equity Advocate appointed by the Governor. Status: Signed by the Governor, Chapter 372, Statutes of 2022.

SB 1226 (Durazo) JPAs for Zero-Emission Transportation Facilities**: This bill authorizes a private, non-profit corporation that provides services for zero-emission transportation to enter into a joint powers agreement with a public agency to facilitate the development, construction, and operation of zero-emission transportation systems or facilities. Status: Signed by the Governor, Chapter 423, Statutes of 2022.

SB 1325 (Gonzalez) California Techquity Innovation Program: This bill would have required GO-Biz to establish a California Techquity Innovation Program, which support underserved and underrepresented entrepreneurs, technology accelerators, incubators, fully accredited institutions of higher education, local governments, and public-private partnerships that support, advise, and uplift underrepresented entrepreneurs. Status: Held under Submission in the Assembly Committee on Appropriations, 2022.

SB 1391 (Kamlager) GHG Market-based Compliance Mechanism**: This bill would have required the California Air Resources Board to conduct a review of the market-based compliance mechanism at least every three years, as specified. Status: Failed passage on the Assembly Floor, 2022.

SB 1399 (Wieckowski) Carbon Capture Technology Demonstration Project Grant Program**: This bill would have required the California Energy Commission to establish the Carbon Capture Technology Demonstration Project Grant Program on or before September 30, 2024, to deploy and commercialize carbon capture technologies that significantly improve the efficiency, effectiveness, cost, emissions reductions, and environmental performance of existing industrial facilities, natural gas electric generation facilities, and biomass electric generation facilities. Status: Died without further action in the Assembly Committee on Natural Resources, 2022.

Section X – JEDE Committee Hearings and Activities

During the 2021-22 legislative session, the JEDE Committee held four informational hearings examining the impact of the COVID-19 pandemic on the California economy and addressing five core policy topics:

1. Using a framework of economic resiliency, what actions would contribute to long-term economic security for entrepreneurs, workers, and the communities in which they live and work?
2. What actions would support small business recovery?
3. What actions would support an inclusive economic recovery for all Californians and regions of the state?
4. How should the state address the uneven economic impacts of the pandemic on low-income communities, low-wage workers, and business owned by women and persons of color?
5. Given the significant levels of funds approved for economic recovery and expansion, how will programs be tracked and modifications made to ensure Legislative priorities are being met?

Impact of the COVID-19 Pandemic on California Small Businesses (Sacramento, California)

On Tuesday, February 23, 2021, the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) convened its first hearing of the year and the first in a series of informational hearings examining the impact of the COVID-19 pandemic on the California economy, serving as a foundation from which the Committee Members would undertake the committee's primary missions of overseeing state programs and evaluating legislative proposals. The focus of this hearing was on current and proposed actions to support small business recovery from the economic impacts of the COVID-19 pandemic.

Following Members' opening remarks, **Dee Dee Myers**, Senior Advisor to Governor Gavin Newsom and Director of the Governor's Office of Business and Economic Development, and **Michelle Radmand**, Acting Deputy Director and Northern California Regional Advisor Appointee for the California Office of the Small Business Advocate, discussed Governor Newsom's economic recovery efforts, specifically the implementation and outcomes of the Small Business COVID-19 Relief Grant Program, including its ability to meet priority application and award targets.

Members were then briefed by **Dr. Robert Fairlie**, professor of Economics at the University of California, Santa Cruz, on his ongoing research on the impact of the pandemic on businesses, of its impact on minority unemployment, and on the effectiveness of federal loan programs on reaching historically underserved business owners. Among other key findings, Dr. Fairlie shared that while most major industries in the US faced large drops in the number of business owners, businesses owned by people of color were hardest hit economically by the COVID-19 pandemic.

The final panel allowed Members to engage directly with leaders of small business stakeholder groups on how existing state programs have evolved to meet the unique challenges brought by the COVID-19 pandemic. **James Watson**, President of California Manufacturing Technology Consulting (California's Manufacturing Partnership), discussed how this federally designated and state and federally funded organization modified its program delivery and services to assist small and medium manufacturers to remain viable during the pandemic, including shifting to the production of PPE. **Deanna Krehbiel**, Executive Director of Economic Development & Corporate Training at San Bernardino Community College District and representative for the California Community College Contract Education Collaborative, shared information on how the workforce centers quickly pivoted to online learning to serve the small business training needs for new and incumbent workers and how contract education programs have used funding from the state Employment Training Panel to transition to online learning and focused on the evolving needs of essential workers and businesses. **Bianca Blomquist**, Senior Manager of California Policy & Engagement at Small Business Majority, discussed the range of state lending programs the state is currently supporting, including the California Rebuilding Fund.

A public comment period followed the six speakers and provided time for other economic, community, and workforce development professionals, businesses, and the general public to add their voices to the dialogue.

A background report was developed by JEDE staff to provide general information on the structure of the hearing, California economy, inequality and income disparities within the state, the Small Business COVID-19 Grant Program, and key policy issues. The appendices include fact sheets and other materials developed by JEDE staff and stakeholder organizations, including a number of fact sheets, 2021 Small Business Survey results, a selection of reports related to the subject matter of the hearing, a selected summary of the 2020-21 budget actions, JEDE Chair Sabrina Cervantes' memo on the Small Business COVID-19 Grant Program, and speakers' materials. This report and other hearing materials can be found on JEDE's website: ajed.assembly.ca.gov

Inclusive Economic Recovery Priorities for 2021 (Sacramento, California)

On Tuesday, March 16, 2021, the Assembly Committee on Jobs, Economic Development, and the Economy convened the second in a series of informational hearings to examine the impact of the COVID-19 pandemic on the California economy. The focus of this hearing was on current and proposed actions capable of supporting an inclusive economic recovery for all Californians and regions of the state.

Inclusive economic policies are not a new priority for the JEDE Committee. Data clearly shows that prior to the pandemic, many small business owners, workers, and neighborhoods did not have access to the same economic opportunities as other areas of the state. Even with 120 consecutive months of economic growth, income disparities were generally increasing. The COVID-19 pandemic merely amplified these gross economic and health disparities.

As the Legislature transitions its policy focus from emergency response to economic recovery, it remains important to reflect on the unintended outcomes from prior economic recovery and expansion

efforts. The data show that too often, policy solutions geared to assist businesses and workers generally were not able to address the deeper economic challenges more specific to workers of color and women- and minority-owned businesses. In turn, these uneven economic benefits served as a drag on the state's overall quality of life and effectively sidelined millions of creative and productive people.

Considering this history and a spate of new economic recovery proposals, the California Legislative Analyst's Office (LAO) released a framework in February 2021 for evaluating state economic stimulus proposals that emphasize timeliness, targeting, and ensuring recovery actions do not inadvertently exacerbate pre-existing inequities. **Brian Uhler**, Deputy Legislative Analyst at LAO, discussed his office's perspectives on how this framework applies to current proposals, including the Governor's \$14 billion economic recovery package, and provided a preliminary look at how the \$1.9 trillion American Rescue Plan and the proposed \$2 trillion federal climate mitigation and public infrastructure plan could be leveraged for a more inclusive economic recovery in California.

Next was **Tim Rainey**, Executive Director of the California Workforce Development Board, which, among other duties, provides advice to the Governor and Legislature, oversees the state's implementation of the federal Workforce Innovation and Opportunity Act, and generally serves as the state's primary place where labor, business, industry, and education stakeholders come together. Mr. Rainey discussed economic recovery priorities, strategies for re-employment and upskilling of workers, and initiatives to address economic development challenges and create career pathways that provide businesses with the skilled workforce they need while putting unemployed and underemployed Californians back to work.

The final panel allowed Members to engage directly with business and labor leaders on their economic priorities for 2021, and how these priorities support an inclusive economic recovery from the COVID-19-induced recession. Panelists included:

- **Lance Hastings**, President, California Manufacturers and Technology Association (CMTA). The mission of the CMTA is to advance policies and initiatives that contribute to a positive business climate for California's 30,000 manufacturing, processing, and technology based companies that generate more than \$300 billion every year and employ more than 1.2 million Californians.
- **Ron Miller**, Executive Secretary, Los Angeles/Orange Counties Building and Construction Trades Council. The Council is an umbrella group representing 48 local unions and district councils in 14 trades, representing more than 100,000 skilled men and women.
- **Tracy Stanhoff**, President, American Indian Chamber of Commerce of California, and Director of the US Department of Defense's Procurement Technical Assistance Center for Native American entrepreneurs, including the 206 Indian tribes and reservations in Pacific, Western, and Northwest Bureau of Indian Affairs regions that are comprised of Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington states.

A public comment period followed the five speakers and provided time for other economic, community, and workforce development professionals, businesses, and the general public to add their voices to the dialogue.

A background report was developed by JEDE staff to provide general information on the structure of the hearing, the impacts of the COVID-19 pandemic on businesses and workers, profiles on a selection of COVID relief programs, and an outline of economic recovery recommendations. The appendix includes fact sheets and other materials developed by JEDE staff and stakeholder organizations, including a number of fact sheets, a selection of reports related to the subject matter of the hearing, a selected summary of 2020-21 budget actions, and speakers' materials. This report and other hearing materials can be found on JEDE's website: ajed.assembly.ca.gov

Economic Recovery of Women- and Minority-Owned Businesses (Sacramento, California)

On Wednesday, August 18, 2021, the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) and the Assembly Select Committee on Small Business and Entrepreneurship convened a joint informational hearing examining the needs of women- and minority-owned businesses during the latter stages of the COVID-19 pandemic. This was the second in a series of hearings held by the Select Committee to discuss COVID-19 pandemic recovery for small businesses and the third in a series of hearings held by JEDE to examine the impact of the pandemic on the California economy.

Among the major recovery challenges facing California is how to address the uneven economic impacts of the pandemic on low-income communities, low-wage workers, and businesses owned by women and persons of color. Implementing inclusive economic policies requires addressing not only current inequities, but also the historic underinvestment and economic opportunities for these same population groups.

Following Members' opening remarks, a panel provided testimony on the challenges faced by California's women- and minority-owned businesses in reopening and being successful in the COVID-19 economy. Panelists included:

- ***Eugene Cornelius, Jr.***, Senior Director, Center for Regional Economics and California Center at the Milken Institute, which works to strengthen California's role as a global incubator for innovation in policy, technology, and business, and a global leader in trade, entertainment, technology, agriculture, aerospace, and manufacturing.
- ***Nancy Swift***, Executive Director, Jefferson Economic Development Institute, and Chair of California Women's Business Center Network. The Network works to secure economic justice and entrepreneurial opportunities for women by supporting and sustaining women business centers, which provide training, mentoring, business development, and financing opportunities to over 16,000 women entrepreneurs annually.
- ***Pat Fong Kushida***, President & Chief Executive Officer, California Asian Pacific Chamber of Commerce (CalAsian), which serves the over 600,000 AAPI-owned businesses in the state, as

well as the broader minority-owned business community, and has developed partnerships throughout the state with over 53 community-based organizations.

Members were given a case study on how women- and minority-owned businesses are helping to transform neighborhoods in Monterey, San Benito, and Santa Cruz Counties. ***Carmen Herrera-Mansir***, Executive Director of El Pájaro Community Development Corporation, shared her insights on the growth of community development corporation services, including the establishment of Plaza Vigil, a 16-space retail incubator, and their Commercial Kitchen Incubator Program, which was supporting 33 food purveyors at the time of the hearing.

The final panel of the hearing, "Deeper Dive into California Inclusive Economic Recovery," was organized as a rapid-fire question-and-answer session. Panelists have been asked to provide specific examples and recommendations on steps that can be taken to support women- and minority-owned businesses to be full participants in the California comeback. Panelists include:

- ***Monica Ochoa***, owner of 1Day Cleaning, an early-stage microbusiness that overcame business development challenges with the help of state, federal, and local programs and services.
- ***Nicole McDonald***, owner of S.T.E.A.M. Academy, a mature small business that survived 16 months of COVID-19 restrictions and required capital, technical assistance, and additional staffing to reach the next stage in their business development.
- ***Andy Madeira***, Chief Executive Officer of East Bay Asian Local Development Corporation, a community development corporation that developed the COVID Commercial Tenant Resiliency Program for its commercial portfolio consisting of over 100 small business and non-profit tenants, the majority of which are minority and/or women owned business enterprises.

A public comment period followed the seven speakers and provided time for other economic, community, and workforce development professionals, businesses, and the general public to add their voices to the dialogue.

Speakers' materials and other hearing materials can be found on JEDE's website: www.ajed.assembly.ca.gov.

Economic Recovery of Women- and Minority-Owned Businesses (Sacramento, California)

On Tuesday, March 29, 2022, the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) and the Assembly Budget Subcommittee 4 on State Administration convened a joint informational hearing examining the state's deployment of \$1.18 billion in federal funding that it anticipates receiving under the State Small Business Credit Initiative (SSBCI).

Research shows that the COVID-19 pandemic exacerbated income inequalities and disparities between certain population groups and areas of the state. These SSBCI funds represent a potentially transformational new resource that is capable of strengthening neighborhood-level economies, supporting independent wealth creation, and charting a more inclusive path forward. Building a more equitable and resilient economy will, however, require a continued commitment to address systemic

barriers to entrepreneurship, as well as remaining open to updating programs and services to address current market needs.

Following Members' opening remarks, an overview of the SSBCI program was initiated by the Legislative Analyst's Office, which was followed by a joint presentation from the California Infrastructure and Economic Development Bank (IBank) and California Pollution Control Financing Authority (CPCFA). Among other topics, the presentations included information on the state's current SSBCI application, metrics for program evaluation, and outreach that will be undertaken to ensure small businesses throughout the state have an opportunity to benefit from SSBCI-funded programs. Panelists included:

- **Fiona Ma**, California State Treasurer and Chair of the California Pollution Control Financing Authority
- **Brian A. Weatherford**, Principal Fiscal & Policy Analyst, California Office of the Legislative Analyst
- **Scott Wu**, Executive Director, California Infrastructure and Economic Development Bank
- **Shela Tobias-Daniel**, Executive Director, California Pollution Control Financing Authority

The second panel of the hearing, "*SSBCI's Potential Role in Creating More Inclusive Economic Growth*," was organized as a rapid-fire question-and-answer session. Panelists have been asked to provide specific examples and recommendations on steps that can be taken to support women- and minority-owned businesses to be full participants in the California comeback. Panelists include:

- **Carolina Martinez**, Executive Director, CAMEO
- **Eugene Cornelius, Jr.**, Senior Director for the Center for Regional Economics Division, Milken Institute
- **Allison Kelly**, Chief Executive Officer, ICA

In the final panel, the State Treasurer, other state administrators of the federal SSBCI funds reflected upon the recommendations made during the hearing, including recommendations on how to have a more diverse range of small businesses participate in state programs using SSBCI funds.

A public comment period followed the seven speakers and provided time for other economic, community, and workforce development professionals, businesses, and the general public to add their voices to the dialogue.

Speakers' materials and other hearing materials can be found on JEDE's website:

<https://ajed.assembly.ca.gov/content/joint-hearing-ssbc-and-inclusive-economic-growth> .

**Index of Legislation
and
Glossary of Terms**

A - Index by Bill Order

Bill	Author	Title	Status	Page(s)
AB 14	Aguiar-Curry	Broadband Service to Underserved Areas	Signed by the Governor, Chapter 658, Statutes of 2021	8 and 48
AB 41	Wood	Broadband Infrastructure Deployment	Signed by the Governor, Chapter 659, Statutes of 2021	9, 48 and 74
AB 45	Aguiar-Curry	AB 45 Aguiar-Curry Industrial Hemp Products	Signed by the Governor, Chapter 576, Statutes of 2021	48, 74 and 93
AB 61	Gabriel	AB 61 Gabriel Business Pandemic Relief	Signed by the Governor, Chapter 651, Statutes of 2021	49 and 93
AB 106	Salas	Regions Rise Grant Program	Died without further action in the Senate Committee on Business, Professions and Economic Development, 2022	9, 25, and 49
AB 128	Ting	2021-22 State Budget	Signed by the Governor, Chapter 21, Statutes of 2021	101
AB 161	Ting	2021-22 State Budget Junior	Signed by the Governor, Chapter 43, Statutes of 2021	101
AB 164	Ting	2021-22 State Budget Junior Two	Signed by the Governor, Chapter 84, Statutes of 2021	101
AB 176	Assembly Budget Committee	2022-23 Trailer Bill	Signed by the Governor, Chapter 256, Statutes of 2022	9, 49 and 101
AB 178	Assembly Budget Committee	2022-23 State Budget Junior	Signed by the Governor, Chapter 45, Statutes of 2022	101
AB 179	Assembly Budget Committee	2022-23 State Budget Junior Two	Signed by the Governor, Chapter 249, Statutes of 2022	101
AB 180	Ting	2021-22 State Budget Junior Three	Signed by the Governor, Chapter 244, Statutes of 2022	101
AB 194	Assembly Budget Committee	2022-23 Trailer Bill	Signed by the Governor, Chapter 55, Statutes of 2022	9, 49 and 101

AB 209	Assembly Budget Committee	2022-23 Trailer Bill	Signed by the Governor, Chapter 251, Statutes of 2022	101
AB 218	Ward	Change of Gender and Sex Identifier	Signed by the Governor, Chapter 577, Statutes of 2021	9
AB 240	Rodriguez	Local Health department Workforce	Vetoed by the Governor, 2022	25, 49 and 93
AB 245	Chiu	Educational Equity	Signed by the Governor, Chapter 555, Statutes of 2021	9 and 26
AB 292	Stone	Corrections Rehabilitative Programming	Signed by the Governor, Chapter 579, Statutes of 2021	9 and 26
AB 340	Ward	529 College Savings Plans	Signed by the Governor, Chapter 557, Statutes of 2021	26
AB 417	McCarty	Rising Scholars Network	Signed by the Governor, Chapter 558, Statutes of 2021	26
AB 461	Villapudua	CalWORKs and Self-Employment	Signed by the Governor, Chapter 582, Statutes of 2021	26
AB 469	Reyes	Outreach for Student Aid	Signed by the Governor, Chapter 560, Statutes of 2021	26
AB 475	Muratsuchi	Japan Trade Office	Held under Submission in the Assembly Committee on Appropriations, 2021	38, 50 and 74
AB 511	Muratsuchi	Securities Transactions and Crowd Funding	Signed by the Governor, Chapter 617, Statutes of 2021	50, 74 and 93
AB 538	Muratsuchi and Friedman	California Aerospace Commission	Held under Submission in the Senate Committee on Appropriations, 2022	38, 50 and 74
AB 539	Cooley	California State Teachers' Retirement System Investments	Signed by the Governor, Chapter 619, Statutes of 2021	65
SB 543	Davies	Student Orientation and CalFresh	Signed by the Governor, Chapter 561, Statutes of 2021	9 and 26
SB 628	Eduardo Garcia	Breaking Barriers to Employment Initiative	Signed by the Governor, Chapter 323, Statutes of 2021	10 and 26

SB 630	Arambula	Online Jobs and Economic Support Resource Grant Program	Status: Held under Submission in the Assembly Committee on Appropriations, 2021	10, 27 and 50
AB 661	Bennett	Recycled Content and State Procurement	Signed by the Governor, Chapter 517, Statutes of 2022	50, 75 and 94
AB 676	Holden	Franchises	Signed by the Governor, Chapter 728, Statutes of 2022	51 and 94
AB 680	Burke	California Jobs Plan Act of 2021	Signed by the Governor, Chapter 746, Statutes of 2021	10, 27, 51, 75 and 102
AB 778	Eduardo Garcia	California Grown	Signed by the Governor, Chapter 576, Statutes of 2022	51 and 75
AB 794	Carrillo	Purchase of New Drayage and Short-haul Trucks	Signed by the Governor, Chapter 748, Statutes of 2021	39, 51, 75 and 102
AB 844	Grayson	Green Empowerment Zone	Signed by the Governor, Chapter 377, Statutes of 2021	10, 27, 51, 75, and 102
AB 888	Levine	Mobile Slaughter Facilities	Signed by the Governor, Chapter 378, Statutes of 2021	51, 76 and 94
AB 914	Weber	CSU Proficiency Level of Entering Students	Signed by the Governor, Chapter 564, Statutes of 2021	10 and 27
AB 915	Chiu and Holden	Diversity in Small Business Contracting	Held under Submission in the Senate Committee on Appropriations, 2021	11 and 65
AB 927	Medina	Statewide Baccalaureate Degree through CCCs	Signed by the Governor, Chapter 565, Statutes of 2021	11 and 27
AB 928	Berman	Student Transfer Achievement Reform Act of 2021	Signed by the Governor, Chapter 566, Statutes of 2021	11 and 27
AB 992	Cooley	California Clean Truck and Off-Road Vehicle and Equipment Technology Program	Signed by the Governor, Chapter 624, Statutes of 2021	39, 52, 76 and 102
AB 1001	Cristina Garcia	Air Quality Impacts and Environmental Justice	Died without further action in the Senate Committee on	11, 94 and 102

			Environmental Quality, 2022	
AB 1002	Choi	Course Credit for Prior Military Training	Signed by the Governor, Chapter 567, Statutes of 2021	11 and 28
AB 1009	Bloom	Farm to Community Food Hub Program	Signed by the Governor, Chapter 608, Statutes of 2021	11 and 28
AB 1015	Rubio	Nursing Programs and Clinical Placements	Signed by the Governor, Chapter 591, Statutes of 2021	11 and 28
AB 1036	Eduardo Garcia and Cervantes	California Manufacturing Emergency Preparedness Act of 2021	Vetoed by the Governor, 2021	39, 52 and 76
AB 1037	Grayson	Digital Construction Management Technologies	Signed by the Governor, Chapter 493, Statutes of 2022	52 and 76
AB 1056	Grayson	Industrial Housing	Died without further action in the Assembly Committee on Housing and Community Development, 2022	11 and 77
AB 1072	Reyes	Small Business and DVBE Procurement Opportunities	Held under Submission in the Senate Committee on Appropriations, 2022	12 and 65
AB 1106	Cervantes and Reyes	Small Business Workforce Development	Held under Submission in the Senate Committee on Appropriations, 2021	12, 28 and 52
AB 1110	Robert Rivas	Zero-Emission Fleets	Died without further action on the Assembly Inactive File, 2022	40 and 103
AB 1111	Berman	Common Course Numbering System for Postsecondary Education	Signed by the Governor, Chapter 568, Statutes of 2021	28
AB 1113	Medina	Exemption from Tuition and Fees	Signed by the Governor, Chapter 569, Statutes of 2021	12 and 28
AB 1146	Cervantes	Small Business Rent	Held under Submission in the Assembly Committee on Appropriations, 2022	12 and 53
AB 1171	Arambula	San Joaquin Valley Partnership	Signed by the Governor, Chapter 626, Statutes of 2021	12, 28 and 53

AB 1244	Mathis	Out-of-State DVBEs	Died without further actions in the Assembly Committee on Jobs, Economic Development, and the Economy, 2022	66
AB 1261	Burke	Greenhouse Gas Emission Incentive Programs	Signed by the Governor, Chapter 714, Statutes of 2021	53, 77 and 103
AB 1279	Muratsuchi	Carbon Neutrality	Signed by the Governor, Chapter 337, Statutes of 2022	103
AB 1287	Bauer-Kahan	Pink Tax	Signed by the Governor, Chapter 555, Statutes of 2022	12 and 53
AB 1297	Holden	Housing Finance	Signed by the Governor, Chapter 356, Statutes of 2021	12 and 77
AB 1322	Robert Rivas and Muratsuchi	Aviation GHG Reduction Plan	Vetoed by the Governor, 2022	40, 77 and 103
AB 1326	Arambula	County Social Service Liaisons for Higher Education	Signed by the Governor, Chapter 570, Statutes of 2021	13 and 29
AB 1346	Berman	Small Off-Road Engines	Signed by the Governor, Chapter 753, Statutes of 2021	77 and 103
AB 1447	Cooley	Rural Infrastructure Development	Held under Submission in the Assembly Committee on Appropriations, 2021	13, 77 and 103
AB 1571	Assembly Committee on Jobs	Small Business Regulatory Relief	Held under Submission in the Assembly Committee on Appropriations, 2021	13, 53, 78 and 94
AB 1572	Assembly Committee on Jobs	New Market Tax Credit	Held under Submission in the Assembly Committee on Appropriations, 2022	13, 53 and 78
AB 1573	Assembly Committee on Jobs	Small Business Retention Program	Vetoed by the Governor, 2022	13, 53 and 94
AB 1574	Assembly Committee on Jobs	Leveraging State Procurement for an Inclusive Economic Recovery Act of 2021	Signed by the Governor, Chapter 756, Statutes of 2021	14 and 66

AB 1640	Ward	Regional Climate Networks	Held under Submission in the Senate Committee on Appropriations, 2022	14 and 104
AB 1644	Flora	Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021	Signed by the Governor, Chapter 202, Statutes of 2022	14, 29 and 104
AB 1717	Aguiar-Curry	Definition of Public Works	Vetoed by the Governor, 2022	66, 78, 95 and 104
AB 1776	Gallagher	Resource Conservation Districts and Prompt Payments	Signed by the Governor, Chapter 455, Statutes of 2022	95
AB 1854	Boerner Horvath	Unemployment Insurance and Work Sharing Plans	Signed by the Governor, Chapter 112, Statutes of 2022	14, 29, 78 and 95
AB 1951	Grayson, Cooley, Cooper, Daly, Gipson, Petrie-Norris, Quirk-Silva, Ramos, Salas, Villapudua, and Wood	Sales and Use tax Exemption on Manufacturing Equipment	Vetoed by the Governor, 2022	40, 54 and 78
AB 2003	Mike Fong	Model Career Pathways	Vetoed by the Governor, 2022	14 and 29
AB 2019	Petrie-Norris	Small and Disadvantaged Business Enterprises	Signed by the Governor, Chapter 730, Statutes of 2022	14 and 66
AB 2026	Friedman	Recycling Plastic Packaging	Held under Submission in the Senate Committee on Appropriations, 2022	54 and 79
AB 2046	Medina	University of California	Signed by the Governor, Chapter 526, Statutes of 2022	15 and 29
AB 2057	Carrillo	Good Movement Data	Signed by the Governor, Chapter 458, Statutes of 2022	40 and 79
AB 2061	Ting	Electric Vehicle Charging Infrastructure	Signed by the Governor, Chapter 345, Statutes of 2022	79 and 104

AB 2204	Boerner Horvath	Deputy Secretary for Climate	Signed by the Governor, Chapter 348, Statutes of 2022	104
AB 2133	Quirk	GHG Reduction Goals	Status: Assembly refused to concur with the Senate amendments, 2022	104
AB 2269	Grayson	Digital Financial Asset Business Regulation	Vetoed by the Governor, 2022	15, 54 and 95
AB 2284	Gabriel	Pupil Instruction and Digital Literacy	Held under Submission in the Suspense File of the Senate Committee on Appropriations, 2022	15 and 29
AB 2314	Petrie-Norris	Predatory Lending and SSBCI Programs	Held under Submission in the Senate Committee on Appropriations, 2022	15 and 55
AB 2342	Cervantes	Community Economic Resilience Fund Program	Signed by the Governor, Chapter 568, Statutes of 2022	16, 30, 55 and 104
AB 2350	Wilson and Grayson	Zero-Emission Aftermarket Conversion Project	Held under Submission on the Suspense File of the Senate Committee on Appropriations, 2022	79 and 105
AB 2406	Aguiar-Curry	Intermodal Marine Terminals	Signed by the Governor, Chapter 868, Statutes of 2022	40, 79 and 105
AB 2419	Bryan	Justice40 Advisory Committee	Held under Submission in the Senate Committee on Appropriations, 2022	16 and 79
AB 2433	Grayson	Predatory Lending	Signed by the Governor, Chapter 188, Statutes of 2022	16 and 55
AB 2508	Quirk-Silva	Pupil Services and Educational Counseling	Signed by the Governor, Chapter 153, Statutes of 2022	16 and 30
AB 2737	Carrillo	Air Pollution and Purchase of New Drayage Trucks	Signed by the Governor, Chapter 213, Statutes of 2022	41, 96 and 105
AB 2784	Ting	Postconsumer Thermoform Recycled Plastic	Vetoed by the Governor, 2022	55 and 80

AB 2798	Vince Fong	Freight Development Projects	Signed by the Governor, Chapter 535, Statutes of 2022	41 and 80
AB 2840	Reyes	Qualifying Logistics Use Projects	Died without further action in the Senate Committee on Governance and Finance, 2022	41 and 80
AB 2847	Eduardo Garcia	Unemployment and the Excluded Workers Pilot Program	Vetoed by the Governor, 2022	16, 30 and 80
AB 2849	Mia Bonta	The Promote Ownership by Workers for Economic Recovery Act	Signed by the Governor, Chapter 808, Statutes of 2022	17 and 30
AB 2873	Jones-Sawyer	Supplier and Contractor Diversity	Signed by the Governor, Chapter 316, Statutes of 2022	17, 30, 55, 66 and 81
AB 2878	Aguiar-Curry	Forest Biomass Waste Utilization Program	Held under Submission in the Senate Committee on Appropriations, 2022	17, 31, 81 and 105
AB 2887	Eduardo Garcia	Sales and Use Tax Exclusions	Signed by the Governor, Chapter 248, Statutes of 2022	81
AB 2944	Petrie-Norris	GHG and Carbon Capture	Died without further action in the Senate Committee on the Judiciary, 2022	105
AB 2953	Salas	Recycled Materials Local Streets	Signed by the Governor, Chapter 872, Statutes of 2022	105
AB 2972	Assembly Jobs Committee	California Business Investment Services (CalBIS)	Signed by the Governor, Chapter 599, Statutes of 2022	17, 41 and 81
AB 2974	Assembly Jobs Committee	Federal Infrastructure Funding and CA Small Businesses	Signed by the Governor, Chapter 600, Statutes of 2022	17, 41 and 82
ACR 104	Holden	Sister State Agreement with Punjab, Pakistan	Adopted, Resolution Chapter 9, 2022	41
ACR 105	Holden	Sister State Agreement with Syunik, Armenia	Adopted, Resolution Chapter 10, 2022	42
ACR 140	O'Donnell	State Action to Address Supply Chains	Died without further action in Senate Rules, 2022	42 and 82
ACR 147	Lackey	Aerospace Valley	Died without further action in the Senate	82

			Committee on Business, Professions, and Economic Development, 2022	
AJR 29	Mathis and Mia Bonta	Ports Congestion Relief	Adopted, Resolution Chapter 168, Statutes of 2022	42 and 82
AJR 30	Gipson	Federal Funding of Freight	Adopted, Resolution Chapter 149, Statutes of 2022	42, 66, 82 and 106
SB 17	Pan	Racial Equity Commission	Died without further action on the Assembly Inactive File, 2022	17
SB 44	Allen	California Environmental Quality Act	Signed by the Governor, Chapter 633, Statutes of 2021	56 and 82
SB 54	Allen	Recycling Content Standards	Signed by the Governor, Chapter 75, Statutes of 2022	56 and 82
SB 71	McGuire	Infractions and Community Service Programs	Signed by the Governor, Chapter 598, Statutes of 2021	18
SB 83	Allen	Sea Level Rise Revolving Loan Program	Vetoed by the Governor, 2021	106
SB 85	Senate Budget Committee	2020-21 State Budget	Signed by the Governor, Chapter 14, Statutes of 2021	106
SB 113	Senate Budget Committee	2021-22 Economic Relief Trailer Bill	Signed by the Governor, Chapter 3, Statutes of 2022	18, 56 and 106
SB 151	Senate Budget Committee	2021-22 Economic Development Trailer Bill	Signed by the Governor, Chapter 74, Statutes of 2022	18, 56 and 106
SB 189	Senate Budget and Finance Committee	Budget Committee 2021-22 State Government Trailer Bill	Signed by the Governor, Chapter 48, Statutes of 2022	18, 56 and 106
SB 193	Senate Budget and Finance Committee	2021-22 Economic Development Trailer Bill	Signed by the Governor, Chapter 68, Statutes of 2022	18, 42, 56 and 107
SB 239	Senate Committee on Banking and Financial Institutions	Surplus Investments	Signed by the Governor, Chapter 635, Statutes of 2021	107

SB 260	Wiener	Climate Corporate Accountability Act	Refused passage on the Assembly Floor, 2022	107
SB 314	Weiner	Liquor Licenses	Signed by the Governor, Chapter 656, Statutes of 2021	57
SB 372	Leyva	Medium- and Heavy-Duty Fleet Purchasing	Signed by the Governor, Chapter 639, Statutes of 2021	57, 83, 107
SB 389	Dodd	Food to Go	Signed by the Governor, Chapter 657, Statutes of 2021	96
SB 416	Hueso	Corrections Educational Programs	Signed by the Governor, Chapter 766, Statutes of 2021	18 and 31
SB 436	Dahle	Community Colleges Nonresident Tuition	Signed by the Governor, Chapter 573, Statutes of 2021	31
SB 485	Portantino	Motion Picture Tax Credit Extension	Died without further action in the Assembly, 2022	31 and 57
SB 490	Caballero	Community Anti-Displacement and Preservation Program	Signed by the Governor, Chapter 602, Statutes of 2022	19 and 57
SB 502	Allen	Green Chemistry	Signed by the Governor, Chapter 701, Statutes of 2022	83 and 107
SB 512	Min	Support Services for Foster Youth	Signed by the Governor, Chapter 574, Statutes of 2021	19 and 31
SB 542	Limón	Sales and Use Tax Exemption	Held under Submission in the Assembly Committee on Appropriations, 2022	43, 56, 83 and 107
SB 543	Limón	Nonprofit Liaison	Vetoed by the Governor, 2022	19
SB 558	Caballero	Farmworker Climate Resilience Adaptation Program	Held under Submission in the Assembly Committee on Appropriations, 2022	19 and 108
SB 589	Hueso	Alternative Vehicles and Vehicle Infrastructure	Signed by the Governor, Chapter 732, Statutes of 2021	43, 83 and 108
SB 599	Hueso	PUC Diverse Procurement Reports	Signed by the Governor, Chapter 703, Statutes of 2022	19 and 83

SB 625	Caballero	California Investment and Innovation Program	Died without further action in the Assembly Committee on Appropriations, 2022	19 and 57
SB 628	Allen	California Creative Workforce Act of 2021	Signed by the Governor, Chapter 767, Statutes of 2021	20 and 31
SB 643	Archuleta	Fuel Cell Electric Vehicle Fueling Infrastructure	Signed by the Governor, Chapter 646, Statutes of 2021	43, 83 and 108
SB 665	Umberg	Voluntary Veterans' Preference Employment Policy Act	Vetoed by the Governor, 2022	20 and 32
SB 671	Gonzales	Clean Freight Corridor Efficiency Assessment	Signed by the Governor, Chapter 769, Statutes of 2021	43, 57, 83 and 108
SB 674	Durazo	Workforce Requirements on Public Contracts	Signed by the Governor, Chapter 875, Statutes of 2022	84 and 108
SB 684	Hueso	California Border Commission	Signed by the Governor, Chapter 936, Statutes of 2022	32, 43, 58 and 84
SB 694	Bradford	Wildfire Mitigation and Workforce Diversity	Signed by the Governor, Chapter 733, Statutes of 2021	20, 32 and 108
SB 737	Limón	California Student Opportunity and Access Program	Signed by the Governor, Chapter 575, Statutes of 2021	32
SB 755	Roth	Reporting on Training-related Job Placement	Signed by the Governor, Chapter 815, Statutes of 2022	32 and 84
SB 777	Bradford	California Jump Start	Held in the Assembly Committee on Revenue and Taxation, 2022	20, 58 and 84
SB 804	Glazer	California Conservation Corps and Formerly Incarcerated	Vetoed by the Governor, 2021	20 and 32
SB 808	Roth	Made in California Label	Died without further action in the Assembly Committee on Appropriations, 2022	43, 58, 67 and 84
SB 851	Portantino	Small Business Relief Act	Signed by the Governor, Chapter 705, Statutes of 2022	58
SB 852	Dodd	Climate Resilience Districts	Signed by the Governor, Chapter 266, Statutes of 2022	109

SB 905	Skinner	Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act	Signed by the Governor, Chapter 359, Statutes of 2022	84 and 109
SB 907	Pan	EBT Processing at Farmer's Markets	Signed by the Governor, Chapter 605, Statutes of 2022	21
SB 951	Durazo	Paid Family Leave	Signed by the Governor, Chapter 878, Statutes of 2022	21, 33 and 58
SB 972	Gonzales	Street Vendors	Signed by the Governor, Chapter 489, Statutes of 2022	21 and 59
SB 1020	Laird	Clean energy, Jobs, and Affordability Act of 2022	Signed by the Governor, Chapter 361, Statutes of 2022	33, 59 and 109
SB 1013	Atkins	Wine Bottle Recycling	Signed by the Governor, Chapter 610, Statutes of 2022	59 and 85
SB 1075	Skinner	Green Hydrogen	Signed by the Governor, Chapter 363, Statutes of 2022	85 and 109
SB 1084	Hurtado	Property Ownership by Foreign Entities	Vetoed by the Governor, 2022	44, 59 and 85
SB 1101	Caballero	Carbon Sequestration and Carbon Capture	Died without further action on the Assembly Floor, 2022	85 and 109
SB 1104	Gonzales	Office of Freight	Held under Submission in the Assembly Committee on Appropriations, 2022	44 and 85
SB 1116	Portantino	Performing Arts Equitable Payroll Fund	Died without further action in the Senate Committee on Transportation, 2022	21 and 33
SB 1123	Caballero	Resilience Navigators Program	Held under Submission in the Assembly Committee on Appropriations, 2022	21 and 109
SB 1126	Cortese	Retirement Plans for Microbusinesses	Signed by the Governor, Chapter 192, Statutes of 2022	21 and 59
SB 1136	Portantino	CEQA Expedited Environmental Review	Vetoed by the Governor, 2022	59, 85, 96 and 110

SB 1145	Laird	GHG Emission Dashboard	Signed by the Governor, Chapter 366, Statutes of 2022	110
SB 1188	Laird	Safe Drinking Water State Revolving Fund	Signed by the Governor, Chapter 680, Statutes of 2022	60
SB 1162	Limón	Disclosure of Salaries and Wages	Signed by the Governor, Chapter 559, Statutes of 2022	22
SB 1251	Gonzales	Office of the Zero-Emission Vehicle Equity Advocate	Signed by the Governor, Chapter 372, Statutes of 2022	33, 44, 86 and 110
SB 1226	Durazo	JPAs for Zero-Emission Transportation Facilities	Signed by the Governor, Chapter 423, Statutes of 2022	44, 86 and 110
SB 1271	Wilk	Contracts for the Acquisition of Goods or Services	Signed by the Governor, Chapter 543, Statutes of 2022	67
SB 1290	Allen	Sidewalk Vendors	Held under Submission in the Assembly Committee on Appropriations, 2022	60
SB 1325	Gonzales	California Techquity Innovation Program	Held under Submission in the Assembly Committee on Appropriations, 2022	22, 60, 86 and 111
SB 1328	McGuire	Prohibited Investments Russia and Belarus	Died without further action in the Assembly Committee on Public Employment and Retirement, 2022	22, 44 and 60
SB 1349	Caballero	California New Employment Credit	Held under Submission in the Assembly Appropriations Committee, 2022	22, 34, 60 and 86
SB 1351	Durazo	California Youth Apprenticeship Program	Held under Submission in the Assembly Committee on Appropriations, 2022	22 and 34
SB 1364	Durazo	Vendors to the University of California	Vetoed by the Governor, 2022	67
SB 1391	Kamlager	GHG Market-based Compliance Mechanism	Failed passage on the Assembly Floor, 2022	111
SB 1399	Wieckowski	Carbon Capture Technology Demonstration Project Grant Program	Died without further action in the Assembly	87 and 111

			Committee on Natural Resources, 2022	
SB 1407	Becker	Employee-Owned Businesses	Signed by the Governor, Chapter 733, Statutes of 2022	22, 34 and 60,
SB 1478	Archuleta	DVBE Procurement Option	Died without further action in the Assembly Committee on Jobs, Economic Development, and the Economy, 2022	67

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

CALGOLD: 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

HRTP: 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 are as follows:

BUSINESS IMPROVEMENT DISTRICTS (BIDS): Business Improvement Districts are nonprofit entities specifically formed to serve property and business owners. Once formed under California law, the Business Development District is authorized to place assessments on business and property owners within the district for the purpose of paying 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 and a budget greater than \$18 billion, as well as 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 all of 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 which was established for the purpose of advancing 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 consists of 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 that are 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 for the retention, expansion, and attraction of jobs in California.

CALIFORNIA EMERGENCY MANAGEMENT AGENCY (Cal EMA): Cal EMA was established in 2009 through the merging of 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 Cal EMA and 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, as well as the names, addresses, and telephone numbers of the agencies 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 which was established for the purpose of promoting 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 for the purpose of encouraging 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 California Pollution Control Financing Authority for the purpose of assisting 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 for the purpose of assisting 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 able-bodied parents benefitting from the program are also required to participate in the CALWORKs GAIN employment services program.

CALIFORNIA WORKFORCE DEVELOPMENT BOARD (CWDB): The California Workforce Development Board is responsible for assisting 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 is responsible for assisting the Governor in performing duties and responsibilities required by the federal Workforce Investment Act of 1998. In 2015, this board was replaced by the California Workforce Development 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 serious 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. In California, the California Department of Housing and Community Development administers a highly competitive award process to 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 that are often unavailable from mainstream financial institutions. CDFIs have loaned and invested in distressed communities. Their loans and investments have leveraged billions more dollars from the private sector for development activities in low wealth communities across the nation. California offers tax credits for investments in CDFIs under the Insurance Tax Law, as well as under 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. Policy direction is provided by OPR, Labor Agency, and GO-Biz. The day-to-day operations are overseen by the Business Management Division of EDD.

DEPARTMENT OF GENERAL SERVICES (DGS): The department employs over 4,000 employees and has a budget in excess of 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, re-employment services, and a portion of the country's economic statistics. The U.S. Department of Labor is the lead federal agency on the implementation of the Workforce Innovation and Opportunity Act.

DISABLED VETERAN BUSINESS ENTERPRISE (DVBE): Certified DVBEs that meet eligibility requirements are eligible to 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 main goals are to alleviate unemployment and diversify the economy as well as 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 purpose of the Economic Strategy Panel was 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 a wide variety of services under the Job Service, Unemployment Insurance, Disability Insurance, Workforce Investment, and Labor Market Information programs. As California's largest tax collection agency, EDD also handles the audit and collection of 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 funds the retraining of incumbent, frontline workers in companies challenged by out-of-state competition. The Employment Training Panel also funds training for unemployed workers and prioritizes small businesses and employers and workers in high unemployment areas of the State. The Employment Training Panel is funded by a tax on business.

ENTERPRISE ZONE (EZ): Geographically-based economic incentive areas in California that provided 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 of the atmospheric gases that absorb infrared radiation and radiate 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 least 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 time period, usually calculated on an annual basis. It includes all private and public consumption, government outlays, investments, and exports less imports that occur within a defined territory.

GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT (GO-BIZ): GO-BIZ was established in 2012 as a one-stop shop intended to help businesses to 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 intended to help businesses to invest and expand in California. It was established in 2010 by Executive Order S-05-10.

HIGH ROAD: High Road are a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity and a clean environment. The strategies 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 of the following groups: (1) Displaced homemakers; (2) Low-income individuals; (3) Indians, Alaska Natives, and Native Hawaiians; (4) Individuals with disabilities; (5) Older individuals; (6) Ex-offenders; (7) Homeless individuals; (8) Youth who are in, or have aged out of, the foster care system; (9) Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers; (10) Eligible migrant and seasonal farmworkers; (11) Individuals within two years of exhausting lifetime eligibility under Part A of Title IV of the Social Security Act; (12) Single parents, including single, pregnant women; (13) 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 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 financing. Since January 1, 1999, the Infrastructure and Economic Development Bank has financed more than \$40 billion in tax-exempt bonds and loans for economic development and public infrastructure projects throughout the state, as well as 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 membership includes 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 a number of 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 that was created in 1962. The Commission's creation, membership, purpose, duties, and powers are enumerated in statute. By statute, the Commission is a balanced bipartisan board composed of five citizen members appointed by the Governor, four citizen members 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. These funds are generally held by the financial institution and multiple loans would be 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 there are sufficient moneys in the fund.

LOCAL AGENCY MILITARY BASE RECOVERY AREA (LAMBRA): A LAMBRA was an area located in California that was designated as such by the Business, Transportation and Housing Agency. LAMBRA's were established to stimulate growth and development in areas 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 Board, 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. A majority (85%) of 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 that are engaged in those lines of business described in Codes 2011 to 3999, inclusive, of the Standard Industrial Classification (SIC) and are 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 located 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 which, 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 with the goal of doubling U.S. exports over 5 years. The initiative is directed through a newly established Export Promotion Cabinet and an internal Trade Promotion Coordinating Committee which have been 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, as well as the former Enterprise and LAMBRA Zones.

NON-SEASONAL ADJUSTMENT: A term used to describe data series that have not been subjected to the seasonal adjustment process. In other words, the effects of regular or seasonal patterns have not been removed from 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 certain 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 are provided with the opportunity to access capital, access markets, and connect to the networks and resources they need to succeed.

OPPORTUNITY ZONE (OZ): A census tract in this state that has been designated by the United States Treasury as an Opportunity Zone, pursuant to Sections 1400Z-1 and 1400Z-2 of the Internal Revenue Code. Federal law allows a taxpayer to defer tax payments by depositing capital gains in a qualified Opportunity Fund. The Opportunity Fund is required to invest funds with Opportunity Zones, which are comprised of low-income census tracts which were 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 that are 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 on their property tax bills.

SALES AND USE TAX EXEMPTION (SUTE): Manufacturers and certain research and developers may qualify for a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases. The partial tax exemption applies to the sale, purchase, and lease of qualified tangible personal property on or after July 1, 2014, and before July 1, 2022. In order 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 forms of assistance to small businesses.

SMALL BUSINESS DEVELOPMENT CENTERS (SBDC): The SBDC Program is the leader in providing small business owners and entrepreneurs with the tools and guidance needed to become

successful 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. Funding for the program is provided, in part, by the U.S. Small Business Administration and local partners.

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. SBE's 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) provides guarantees on 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 a 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 emergency situations. (GC 16418)

STATE POINT OF CONTACT (SPOC): Funding applications submitted to the federal government will often require the applicant 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 very small businesses (fewer than 10 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 is a program very similar to Enterprise Zones. TTA offers incentives that are 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, machinery parts, and 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 that encompasses 46% of the world's GDP.

TRANS-PACIFIC PARTNERSHIP (TPP): A proposed free trade agreement that includes economies from within the Pacific region. Negotiations began in 2010 and currently include 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. The purpose of these activities is to promote an increase in the 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 WDB.

ZERO EMISSION VEHICLE (ZEV): Zero emission vehicles are anticipated to play an important role in California reaching its greenhouse gas emission reduction goals. There are two kinds of ZEVs: those that use all electric and those that are hybrids using both electric and gas combustion technologies.



Committee on Jobs, Economic Development, and the Economy

Assemblymember Sabrina Cervantes, Chair
Assemblymember Steven Choi, Vice Chair*
Assemblyman Jordan Cunningham, Vice Chair*
Assemblymember Tasha Boerner Horvath*
Assemblymember Ed Chau*
Assemblymember Matt Haney*
Assemblywoman Cottie Petrie-Norris
Assemblymember James C. Ramos
Assemblymember Thurston "Smitty" Smith

*JEDE Members during a portion, but not all the legislative session

Committee jurisdiction and oversight includes business advocacy within California and the United States; business advocacy of import/export trade; California-Mexico relations; California overseas trade offices; Department of Information Technology; development and expansion of new technologies, except energy; development of international high tech markets; economic disaster relief; economic impact reports; effect of balance of trade issues on California; expansion of overseas markets; foreign investments by California; foreign investments in California; impacts of federal budget on high tech projects; impacts of federal budget on international trade; industrial innovation and research; international capital, including capital formation; international trade; global research and development; 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; and women and minority business enterprises.