

Date of Hearing: April 23, 2019

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

Sabrina Cervantes, Chair

AB 906 (Cooley, Cervantes, Kiley) – As Introduced February 20, 2019

SUBJECT: California Economic Development Strategic Action Plan

POLICY FRAME: As the fifth largest economy in the world, California deserves a world class business plan. The state's lack of a strategic plan impedes its ability to communicate clear policies on fundamental drivers of the economy, such as infrastructure development, upward mobility, and support for emerging and dominant industry sectors with the state's regional economies. AB 906 proposes the development of a strategy to guide the state's economic development activities.

The policy committee analysis includes additional information on the advantages of a strategy, the interrelationships between state planning and funding, history of economic strategies in California, and the role of GO-Biz. Suggested amendments are outlined in Comment 7.

SUMMARY: AB 906 requires the development of the California Economic Development Strategic Action Plan (Action Plan), containing policies, priorities, and actions the state will use in undertaking economic development activities. Specifically, **this bill:**

- 1) **Purpose and Development of the Action Plan:** Requires economic development activities of the state be guided by the regional and state policies, priorities, and actions identified in the Action Plan, which is developed by the Governor's Office of Business and Economic Development (GO-Biz) in accordance with the requirements of this bill:
 - a) The preparation of the Action Plan is initiated by:
 - i) The publication of the economic status report;
 - ii) The opening of a public engagement period to obtain feedback on the economic status report; and
 - iii) The convention of a stakeholder advisory group, as specified, to help assist with reviewing the economic status report, evaluating the stakeholder comments, and developing the action plan.
 - b) Prior to approving the action plan, GO-Biz is required to seek the advice of the Legislature.
 - c) Based on public comments and the advice of the stakeholder advisory group and the Legislature, GO-Biz is required to consider modifications to goals, policies, and actions recommended in the economic status report and publish the final action plan, as specified.
 - d) The approved Action Plan is required to be posted on the GO-Biz website and the Legislature be notified of its public availability, as specified.
 - e) Within 120 days of notifying the Legislature of the posting of the action plan, GO-Biz is required to publish a list of performance indicators that will be used to evaluate and track the implementation of the action plan.
 - f) The action plan is required to be reviewed through a public process at least every two years, as specified. The review will track progress and make, as necessary, modifications to the Action Plan to reflect new economic conditions and/or underperformance.

- 2) **Purpose of the Action Plan:** Requires the Action Plan to do all of the following:
 - a) Set a comprehensive agenda and framework to enhance the state's overall national and international competitiveness, support regional economic priorities, and lead the state toward inclusive economic growth.
 - b) Be based on an economic status report, as required and described in this bill.
 - c) Be developed through a public engagement process, as specified.
 - d) Be used to guide the development and recommended actions of related state functional plans and strategies of state agencies, boards, and commissions.

- 3) **Content of the Economic Status Report:** Requires the development of an economic status report to provide the evidence-based information and data foundation for the Action Plan. The economic status report is required to be updated at least every five years and include, but not be limited to, all of the following:
 - a) An evaluation of the strengths and weaknesses of the California economy and the state's prospects for future economic prosperity, benchmarked against 10 or more competitor states and regions in the world.
 - b) An evaluation of each region's national and international competitiveness, including major proposals, policies, and goals, and of the effectiveness of state programs supporting regional needs.
 - c) An evaluation of the effectiveness of California's economic development programs and tools in creating and retaining jobs, supporting entrepreneurship, attracting and developing advanced industries, and promoting inclusive growth.
 - d) An identification and evaluation of governmental and nongovernmental impediments to economic and business development, including startups, small businesses, and microbusinesses.
 - e) An identification and an analysis of economic opportunities for underserved and high-risk populations and geographic areas.
 - f) An evaluation of the adequacy of federal, state, and local infrastructure to meet current and future business needs, including goods and passenger movement and information networks. The evaluation is also required to include an analysis of current relevant funding models.
 - g) An evaluation of opportunities to leverage federal resources for state priorities.
 - h) An evaluation of tactics for attracting private capital to the state and investment in state priority areas.
 - i) Identification of state workforce preparation and delivery systems, including workforce training programs, apprenticeships, and incumbent worker training.
 - j) Identification of federal, state, and regional public agencies, departments, boards, and commissions that have economic and business development-related responsibilities.
 - k) Recommendations on goals, priorities, and actions that would advance the purposes of the action plan, as provided in this section, including legislative, regulatory, and administrative initiatives to address key issues, seize opportunities, and ease impediments. The report shall also include potential funding options for covering the cost of implementing the recommendations.

- 4) **Additional Studies:** Authorizes GO-Biz to undertake additional studies to assist in the development, biennial review, and update of the action plan. GO-Biz may also utilize portions of previous studies that satisfy the requirements of this section to the extent feasible, current, and topically relevant.
- 5) **Content of the Action Plan:** Requires the Action Plan to include the following:
 - a) A statement of statewide economic development goals, with the development of a service model to support regionally created economic goals.
 - b) A prioritized list of short-term and long-term issues that the action plan is designed to address.
 - c) Identification of statewide and regionally dominant and emerging industry sectors.
 - d) Legislative, regulatory, and administrative initiatives to address key issues, seize opportunities, and ease impediments.
 - e) Identification of key state government and nonstate public and private partners.
 - f) An outline of funding options for key features of the action plan.
 - g) An evaluation process and metrics that will be used to assess, track, and report on the implementation and success of the action plan.
- 6) **First Action Plan:** Requires the preparation of the first Action Plan is required to be initiated by July 1, 2020, and the finalization of the first Action Plan be initiated no later than January 10, 2021.
- 7) **Updates to Key Documents:** Requires GO-Biz to revise the economic status report and the action plan every five years following the initial publication, as specified.
- 8) **Members of Stakeholder Advisory Group:** Specifies that the stakeholder advisory group include representatives from businesses, labor unions, organizations representing the interests of diverse ethnic and gender groups, local government leaders, academic economists and business professors, chambers of commerce and other business organizations, economic development organizations, economic development groups focusing on regional economies, government agencies, and key industries.
- 9) **Stakeholder Advisory Group Considerations:** Requires the stakeholder advisory group, when reviewing and evaluating the economic status report and any public comments submitted, to consider how this information relates to supporting the following:
 - a) Upward mobility, including enhanced economic opportunities, workforce development, wage and income growth, job creation, and poverty reduction.
 - b) Local and regional economic development efforts.
 - c) State competitiveness relative to other states and nations.
 - d) Innovation and advanced technologies and industries.
- 10) **Progress Review:** Requires GO-Biz to facilitate a review of the Action Plan at least every two years for the purpose of evaluating how the action plan compares to current relevant factors, including, but not limited to, significant shifts in state or regional economic environments, available funding models, the removal of impediments, and new implementation options for identified priorities and goals. The review is required to include a progress report on its implementation and the identification of the next steps toward implementation of the action plan or proposed revisions to the action plan, as appropriate.

- 11) **Funding:** Authorizes the development and update of the economic status report and the development and revision of the action plan to be funded in whole or in part by nonstate funds and authorizes GO-Biz to accept nonstate moneys from federal and private sector funds for this purpose. No donor may donate more than 25% of the funding for the action plan.
- 12) **New Fund Account:** Requires any amounts received by GO-Biz for the purpose of the development of the Action Plan be deposited in the Economic Action Plan Account, which is created by this bill within the California Economic Development Fund. Any amounts in the account, upon appropriation by the Legislature, shall be available to GO-Biz, as specified.
- 13) **Transparency of Funding:** Requires GO-Biz to disclose each donation on its website within 30 days of receiving that donation. The disclosure is required to include all of the following information:
 - a) The name and address of the donor.
 - b) The amount of the donation.
 - c) The date the donation was made.
- 14) **Findings and Declarations:** Makes legislative findings and declarations, including, but not limited to:
 - a) California's regional economies compete in an increasingly connected and complex global market driven by changes in technologies, demographics, and geopolitics.
 - b) Public policy plays multiple and critical roles in creating the conditions that attract private capital investment while encouraging equitable and sustainable economic growth.
 - c) Scores of state, regional, and local programs strive to develop skilled workers, attract and grow employers, and support small businesses and entrepreneurs. Billions of dollars are spent each year on infrastructure to support development, transportation, and trade.
 - d) Yet California lacks an assessment of its competitiveness agenda and a coherent strategy that explicitly links state and regional priorities with goals, metrics, investments, and programs.
 - e) An integrated economic strategy is essential to the success of existing and future programs and investments addressing the following:
 - i) Growing inequality and the erosion of upward mobility in California that call for state policy to be intensely focused on increasing economic opportunity and security for all Californians.
 - ii) Global disruptions that are challenging California's economic leadership in advanced manufacturing, agriculture, technology, health and life sciences, future mobility, and many other sectors.
 - iii) California's commitment to reduce greenhouse gas emissions, restore ecosystems, and improve environmental health.
 - f) A significant generational shift as baby boomers leave the marketplace and fewer, and more diverse, working age individuals take their place.
 - g) To reconcile and align these ambitious and essential goals, California needs a "triple-bottom-line" strategy that simultaneously advances an inclusive economy through equity, prosperity, and sustainability while responding to market forces.

- h) California's triple-bottom-line prosperity strategy should be predicated on partnerships among state and local governments, and among public, private, and civic organizations, through which projects can integrate legal authorities, financial resources, and organizational expertise.
- i) The development and review of an action plan is to be designed in a manner that helps the state identify economic development challenges and addresses the shifting economic landscape, changing demographics, and unique strengths of California's industries, businesses, workers, and entrepreneurs.

EXISTING LAW:

- 1) Requires the Governor to prepare the Environmental Goals and Policy Report (EGPR) every four years for the purpose of defining the state's 20- to 30-year growth and economic development strategy with particular attention to statewide land use policy. Upon approval by the Governor, the EGPR shall serve to:
 - a) Record approved goals, policies, and decisions of state government related to statewide growth and development and the preservation of environmental quality;
 - b) Advise the Legislature of statutory action required to implement state environmental goals and objectives;
 - c) Inform other levels of government and the public of approved state environmental goals and objectives and the proposed direction of state programs and actions in achieving them;
 - d) Provide a clear framework of goals and objectives as a guide to the preparation and evaluation of state functional plans; and
 - e) Serve as a basis for judgments about the design, location, and priority of major public programs, capital projects, and other actions, including the allocation of state resources for environmental purposes through the budget and appropriation process.
- 2) Requires the Governor to transmit to the Legislature, not later than April 15 of each year, an economic report to be designated as the "Economic Report of the Governor" setting forth all of the following:
 - a) A review of economic developments during the preceding calendar year, including trends in employment, unemployment, income, construction, and major economic sectors providing a measure of economic growth.
 - b) Forecasts of trends in employment, income, and investment for the coming year and trends in such major economic sectors as it is feasible to project.
 - c) Additional material on the California economy that is pertinent and of general interest, with historical analysis and projections of use in economic planning whenever possible.
 - d) Insofar as possible, summaries of state policies and actions that relate to the economic development of the state that foster and promote growth in employment, productivity, income, and purchasing power.
- 3) Requires the Governor, in conjunction with the economic report, to present an economic message and make recommendations as may be appropriate for programs to further economic development to increase employment, income, and investment in the state.
- 4) Establishes GO-Biz within the Governor's Office for the purpose of serving as the lead state entity for

economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth.

- 5) Authorizes GO-Biz to undertake international trade and investment activities and, as a condition of that authority, requires the office to develop and implement a comprehensive international trade and investment strategy (ITI Strategy). All international trade and foreign investment activities and funding are required to be consistent with the ITI strategy.
- 6) Requires the California Department of Transportation to develop the State Transportation Plan (STP), which includes policies covering a broad system of concepts and strategies synthesized from regional transportation plans, including policies on statewide and regional goods movement.
- 7) Requires the California Department of Housing and Community Development (HCD) to prepare a California Statewide Housing Plan, which includes a statement of housing goals, policies, and objectives. The Statewide housing plan is also required to include recommendations for actions by federal, state, and local governments and the private sector that will contribute to the attainment of the housing goals established for California. HCD is required to annually report on the progress of implementation of this plan.

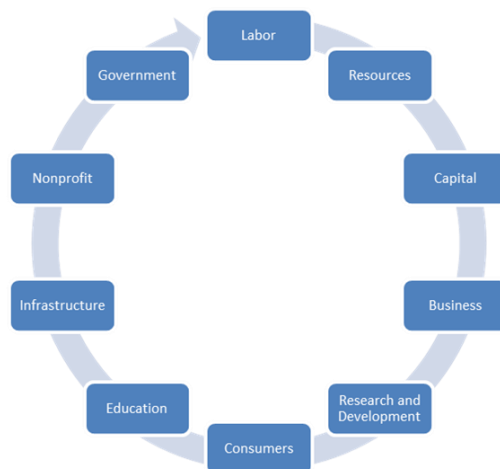
FISCAL EFFECT: Unknown

COMMENTS & CONTEXT:

- 1) **What a Strategy Could Accomplish:** There are ten key drivers of the California economy: capital, infrastructure, labor, business, education, research and development, resources, consumers, nonprofits, and government actions. Each of these drivers has both its own unique characteristics, as well as shared qualities. In addition, each of the drivers is inextricably linked within the overall economic environment. A significant weakness within any one of the drivers affects the others.

As an example, California’s aging infrastructure limits the state’s ability to move products from farm to factories and on to foreign and domestic markets. These delays in moving goods and the higher costs of transportation impacts businesses all along the supply chain resulting in less job growth, lower discretionary income, and ultimately less tax revenues.

While the impacts of poor quality infrastructure are known, addressing this challenge requires a coordinated regional and comprehensive statewide approach by both public and private stakeholders. Since financing often requires long-term commitments and development projects are often permanent structures within the environment, agreements need to be reflected in public documents that can guide related investment decisions in the future.



An economic development strategy serves such a purpose by identifying important local, regional, and statewide issues and providing a transparent process for prioritizing state actions. Until August 2011, existing law required the state to have a two-year state *Economic Development Strategic Plan*, similar to the Action Plan proposed in AB 906. Based on an evaluation of current conditions, the required

updates were designed to allow the Administration and Legislature to monitor the effectiveness of programs and initiatives on an ongoing basis. The last ED Strategy was prepared in 2002 and its statutory mandate was eliminated as part of the 2011-12 budget actions.

AB 906 would re-establish a requirement for a comprehensive strategy that could support job creation, business development, and attraction of private sector investment.

- 2) **Prior Strategic Plan Attempts:** The most recent attempt to re-establish a state strategy, AB 2569 in 2018, passed the Legislature but was vetoed by the Governor. In his veto message, then-Governor Brown noted that GO-Biz had “expanded direct foreign investment, created opportunities for small businesses, identified incentives for growth, and helped resolve barriers for businesses navigating the government.” He further stated that these successes were due, in part, to the ability of GO-Biz “to nimbly respond to rapidly changing economic factors including unpredictable federal decisions, natural disasters and more.” The veto message concluded by stating, “I don’t believe an ongoing costly study and report will provide any additional benefit to these efforts.”

Prior to the passage and veto of AB 2596, the Legislature proposed numerous other bills. Initially, these efforts focused on the development of an update to the 2002 economic development plan, and later bills tried to reinstate the mandate for a comprehensive game plan. These initiatives were backed by significant stakeholder support, including the California Manufacturers and Technology Association, California Forward, California Stewardship Council, the REAL Coalition, and the California Association for Local Economic Development.

While economic development work has not stopped in California without the existence of a plan, many regions have reported feeling a disconnect between state actions and support for significant regional priorities. In contrast, many communities commended the Governor and GO-Biz for their proactive assistance in helping communities prepare competitive bids for the new Amazon headquarters. According to stakeholders, regions want the state to play a more active role in supporting regionally significant projects, as well as addressing issues that more broadly impact the state.

What is being proposed in AB 906 is not a document that sits on a shelf. AB 906 proposes an on-going engagement process where state government and other stakeholders come together to share information, set goals, remove barriers, align resources, and work collaboratively toward inclusive economic growth. If implemented properly, the Action Plan will serve as a comprehensive guiding document for regions to use in advancing local priorities.

- 3) **When CA had a Recognizable Plan for Economic Growth:** California’s community and economic development policy had historically been driven by a number of statutory mandates, including the EGPR, the Governor’s annual economic message, a Five-Year Infrastructure Plan (Infrastructure Plan), and the ED Plan.

Collectively, these four policy mandates formed the foundation for the state’s short-, middle-, and long-term economic success. The EGPR was designed to set the overall long-term framework in which individual departments and agencies could develop more detailed functional plans, including elements of the state transportation and state housing plans that would then be used to draw down significant federal dollars.

The Infrastructure Plan was envisioned as a blueprint to set a rational infrastructure development agenda that supported the long-term economic and population growth assessments outlined in the

EGPR. Based on the data and assessments from the EGPR and priorities identified in the Infrastructure Plan, an Economic Strategy Panel was convened to develop the ED Plan, including goals and measurable economic objectives. The Governor's annual economic message served as an annual update and opportunity to true-up these other documents.

Currently the EGPR is out of date. The mandate for an economic development strategy, as noted earlier, was eliminated through a last minute budget action, and the Infrastructure Plan is little more than a tracking system of state infrastructure needs. The Governor's economic message has been subsumed within the discussion of the budget, including the release of the January proposed budget and the May Revise.

While California is awash with potentially impactful strategies, most are unaligned, and priorities between strategies are unclear. As California leads the world in addressing climate change, state actions are too often focused on one-off initiatives rather than laying the framework for an overall economic transition to a low-carbon fueled economy. AB 906 proposes the development of an Action Plan, based on current research and evidence-based decision making, that advances the state's vision of inclusive economic growth and upward mobility for all Californians.

- 4) **New Governor, New Day:** Governor Newsom and his Chief Economic and Business Advisor and Director of GO-Biz have expressed support for evidence-based strategies to help support regional priorities. In appointing Lenny Mendonca as Chief Advisor and Director of GO-Biz, the Governor is reported to have tasked him with re-engineering the state's approach to job creation and economic development. In addition, Chief Advisor Mendonca is reported to be working on a realignment of multiple agencies and programs, and to drive private investments into economic development activities with the potential to reduce poverty and income inequality and increase the state's overall economic competitiveness and resiliency.

In public presentations, Director Mendonca has expressed strong support for regional approaches to economic development, which is a central feature in the Action Plan proposed in AB 906. Regional prosperity also aligns with the approaches being taken by key economic development stakeholders, including California Forward, the Inland Empire Economic Partnership, the Milken Institute, the California Stewardship Network, and the Bay Area Council Economic Institute (BACEI), to name only a few.

The California Stewardship Network, working through the Bay Area Council Economic Institute with input from the Brookings Institution, is currently developing "punch lists" of locally driven and regionally significant economic development projects and policies that reflect the diverse economic regions of California.

These punch lists, according to the BACEI, will inform the early stages of work by the Newsom Administration, including state agencies such as GO-Biz. This collection of projects and policies is scheduled to be completed by July 2019 and is intended to feed into a "broader process to refresh a truly 'regions-up' triple bottom line statewide economic development strategy that reflects and aligns with the distinct conditions, assets, and interests of California's functional economic areas." Below are two examples of types of items that may be included on punch lists:

- "The manufacturing sector is a key economic driver in the Central Valley, and manufacturing internships would help improve the talent pipeline for these businesses. The Governor has identified creating 750,000 internships as a priority for his administration. However, these

companies are not able to add these interns to their standard insurance policies. The state therefore could be asked to produce an insurance pool for manufacturing interns to support this economic development priority.

- “In the North Bay region, local leaders, having identified increasing supply of homes as a critical have created a new Joint Powers Authority, currently between the County of Sonoma and the City of Santa Rosa, to spur development. The Governor has made housing a priority and has proposed to spend new state funds on housing production. The state could therefore be asked to spend proposed money through this JPA to incentivize housing production that is consistent with regionally determined goals and processes and to encourage regional collaboration.”

BACEI notes that the Newsom Administration has placed a particular priority on areas beyond coastal economic hubs like the Bay Area, so the punch lists project will apply a special focus to regions with fewer internal resources, such as the Central Valley.

- 5) **California Economy:** California is home to nearly 40 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 2017, this diverse group of business owners and workers produced \$2.7 trillion in goods and services, \$171 billion of which were exported to over 220 countries around the world.

California’s economy was larger than all but four nations in the world in 2017 – 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, the size of its consumer base, the strength of its dominant industry sectors, its economically diverse regional economies, its skilled workforce, and its culture of innovation and entrepreneurship, particularly in the area of technology.

Many policy makers and economists describe California as having not a single economy, but having a highly integrated network of a dozen or so regional economies. While biotech has a comparative advantage in some regions, information technology drives growth in others. Driving this economic vitality are both Fortune Global 250 companies with California headquarters and other facilities, as well as the state’s robust small business sector, which employs half of all workers and is comprised of more than 98% of all businesses in the state.

In 2017 (most recent data), California’s largest industry sectors were: Finance and Insurance (21.6% of state GDP); Trade, Transportation, and Utilities (14.5%); Professional and Business Services (12.8%); Manufacturing (10.9%); Information (8.7%); Tourism and Arts (4.2%); and Construction (3.9%).

Chart 1 – California GDP by Industry Sectors shows state GDP in dollars by industry sector. One of the unique qualities of California’s economy is its multiple dominant industry sectors.

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 to 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.

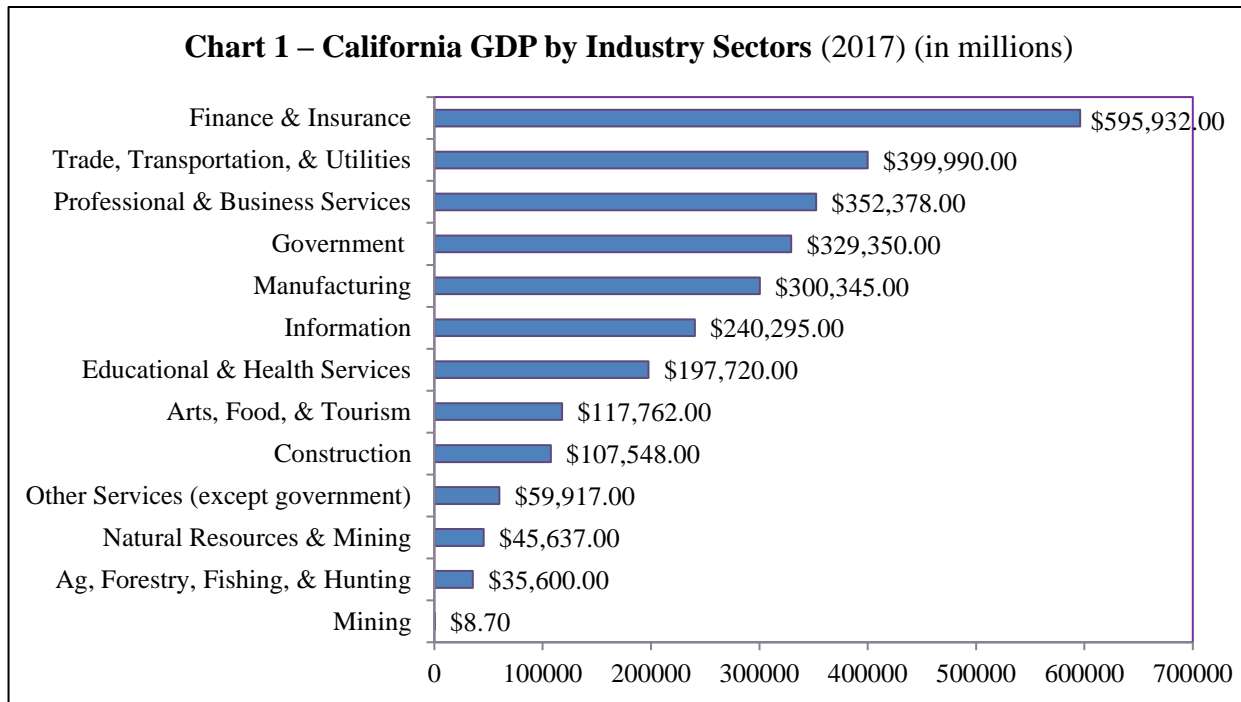
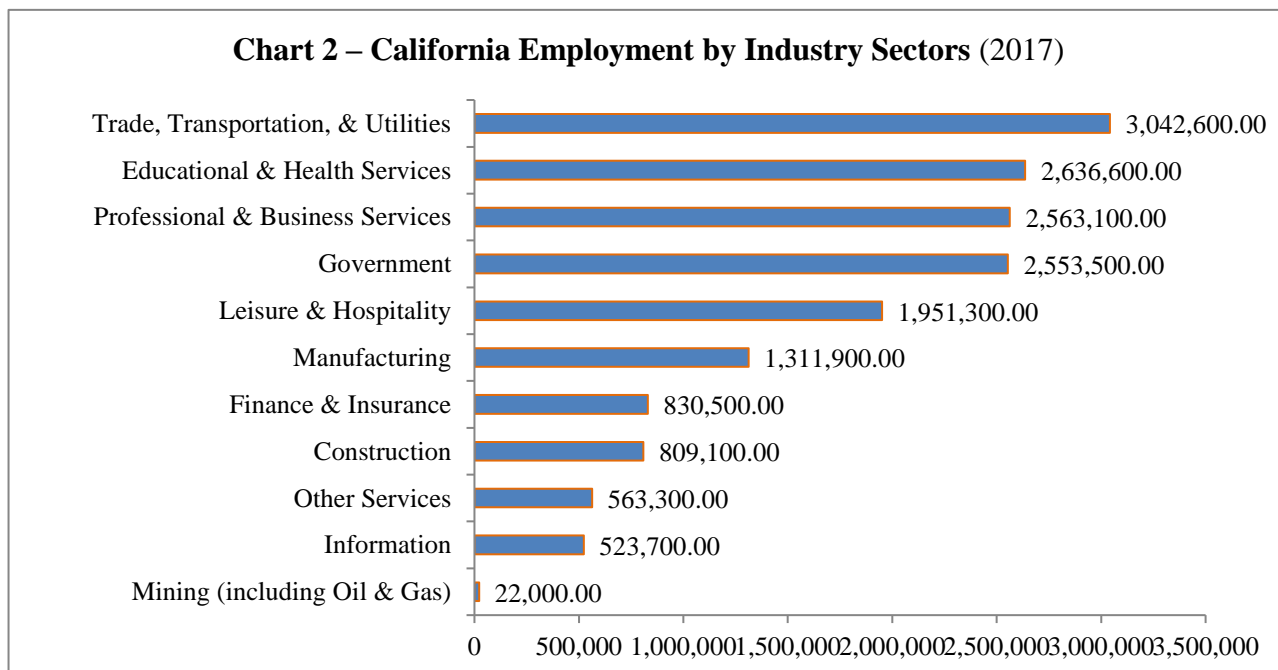


Chart 2 – California Employment by Industry Sectors shows employment data within the same industry sectors as are measured in Chart 1. In 2017 (most recent data), the Trade, Transportation, and Utilities sector represented the industry with the largest number of employees in California, followed by jobs in Education and Health Services.



Perceptions of California challenge the state’s ability to grow manufacturing jobs, namely its perceived lack of cost competitiveness and regulated nature of its business environment. These perceptions impact not only decisions about expansions and relocation from other states, but also reshoring decisions. According to one study, California is receiving only about 1% of reshored manufacturing

jobs. In recent years, the Legislature and Administration have adopted and funded new initiatives related to the initial costs of development and expansion and to technical assistance to help businesses navigate the state regulatory and permitting environment.

Perhaps one of the greatest challenges California faces is the exponentially increasing rate of technological change. The technologies that initially supported California businesses accessing global markets are now in second and third generations. From having a few select centers of innovation in Western industrialized nations, the world now supports multiple centers of technology and innovation. AB 906 can play an important role in keeping California competitive in today's more technologically sophisticated, hyperlinked, and globally-connected world.

- 6) **Office of Business and Economic Development:** In April 2010, the Governor's Office of Economic Development was established to provide a one-stop-shop for serving the needs of businesses and economic developers. While initially established through Executive Order S-01-10 and partnership agreement with the SBDCs, the office was later codified and renamed GO-Biz [*AB 29 (John A. Pérez), Chapter 475, Statutes of 2010*].

In 2012, the Governor initiated, and the Legislature allowed to advance, a comprehensive reorganization of the state's administrative structure. Key changes included the dismantling of the Business, Transportation, and Housing Agency (BTH) and further consolidating GO-Biz's position as the state's lead in economic development. Effective July 1, 2013, GO-Biz gained administrative authority for more economic development related programs and services, including the Small Business Loan Guarantee Program and the Infrastructure and Economic Development Bank.

In 2017, GO-Biz assisted over 18,000 companies through programs and direct services of GO-Biz's six service units: California Business Investment Services, the Office of Permit Assistance, the Office of the Small Business Advocate (OSBA), International Affairs and Business Development, the California Competes Tax Credit Program, and the Innovation and Entrepreneurship Program.

GO-Biz has distinguished itself in serving as a problem solver, making it an appropriate government entity to be tasked with the development of the Action Plan. As an example, when California's development of recharging stations lagged the state's mandate for large-scale deployment of zero emission vehicles, GO-Biz stepped in and began working one-on-one with local communities to site new stations. Implementation of the Sustainable Freight Plan received a boost of reality from GO-Biz's detailed efforts to help operationalize a challenging set of actions. Cyber-security and lean engineering are other areas where GO-Biz has also assisted the state government.

- 7) **Proposed Amendments:** Below is a list of amendments the committee may wish to consider:
- a) Authorize GO-Biz to prepare the economic status report internally;
 - b) Clarify the key role regions play in the development and implementation of the Action Plan, including the collection of regional priorities, metrics, and assessments.
 - c) Requiring the use of a California demographic index of performance indicators to evaluate and tract action plan implementation.
 - d) Clarify that donations can be used for funding the development of the economic status report and the Action Plan, including any updates; and
 - e) Remove redundant language and make other clarifying changes.

8) **Related Legislation:** Below is a list of related legislation.

- a) **AB 29 (John A. Pérez, Feuer, and V. Manuel Pérez) Office of Business and Economic Development:** This bill established GO-Biz to include the newly codified California Business Services and the existing Office of the Small Business Advocate. Status: Signed by the Governor, Chapter 475, Statutes of 2011.
- b) **AB 53 (John A. Pérez) Reinstate a State Economic Strategy:** This bill would have required GO-Biz to lead the preparation of the California Economic Development Strategic Plan, as specified. In addition, the bill would have required a copy of the Worker Adjustment and Retraining Notification Act (WARN) notice be provided to GO-Biz and that it be posted on the Employment Development Department website. Status: Vetoed by the Governor, 2014. In his veto message, the Governor stated: “GO Biz is now implementing the state’s new economic development initiative that Speaker Pérez helped make possible earlier this year. In addition, thanks to legislation authored by Speaker Pérez, GO-Biz is expanding direct foreign investment, promoting export of California products, removing unnecessary government barriers for businesses, and helping large and small businesses innovate, grow, and prosper in California. For all these reasons, I don’t think a study and report will bring any additional focus to our efforts.”
- c) **AB 119 (Assembly Budget Committee) Elimination of State Economic Strategy:** This bill eliminated, commencing January 1, 2012, the responsibility of the Secretary of Labor and Workforce Development Agency to lead the preparation of a biennial California Economic Development Strategic Plan and to biennially convene an Economic Strategy Panel to provide recommendations regarding the plan. Status: Signed by the Governor, Chapter 31, Statutes of 2011.
- d) **AB 699 (Portantino and V. Manuel Pérez) Update State Economic Strategy – Version 3:** This bill would have updated the requirements for the development of a California Economic Development Strategic Plan, especially in the areas of technology and innovation, and required it be submitted to the Legislature by May 1, 2010. Status: Held in Assembly Committee on Appropriations, 2009.
- e) **AB 761 (Vasconcellos) California Economic Development Strategic Planning Act of 1993:** This bill required the Secretary of the Trade and Commerce Agency to convene a biennial Economic Strategy Panel to support the development of a California Economic Development Strategic Plan. Status: Signed by the Governor, Chapter 864, Statutes of 1993.
- f) **AB 1233 (V. Manuel Pérez) State Economic & Workforce Development Strategy:** This bill would have required GO-Biz to prepare a five-year Economic and Workforce Development Strategy. The blueprint will help the state set a strategic path forward by prioritizing and coordinating state activities, supporting local and regional economic development activities, and better leveraging of private and public sector resources. Status: Held in the Assembly Committee on Appropriations, 2012.
- g) **AB 1606 (Arambula and Lieu) Update State Economic Strategy - Version 1:** This bill would have updated the membership of the Economic Strategy Panel and the requirements of the California Economic Development Strategic Plan. The bill would have also required the plan to include a targeted set of actions to increase private investment in California’s historically underserved communities, also known as emerging domestic markets. Status: Vetoed by the Governor in 2007. In his veto message, the Governor stated: “As I have said since the first days of my Administration, I am committed to fostering a healthy business environment in California. While this bill attempts to aid in that crucial effort, California needs a new overall strategy for its role in promoting

economic development, not a piecemeal approach. I am instructing members of my Administration to build on their work and prepare new recommendations on how, and in what manner, state government can assist economic development in California. I look forward to working with the Legislature on this vital issue.”

- h) **AB 1916 (Portantino, Arambula, Price, Salas, and Caballero) Update State Economic Strategy – Version 2:** This bill would have updated the requirements for the development of a California Economic Development Strategic Plan, especially in the areas of technology and innovation, and required it be submitted to the Legislature by January 1, 2010. Status: Vetoed by the Governor in 2008. In his veto message, the Governor stated: *“The historic delay in passing the 2008-09 State Budget has forced me to prioritize the bills sent to my desk at the end of the year’s legislative session. Given the delay, I am only signing bills that are the highest priority for California. This bill does not meet that standard and I cannot sign it at this time.”*
- i) **AB 2596 (Cooley, Kiley, Quirk-Silva) State Action Plan:** This bill would have required the Governor’s Office of Business and Economic Development to take the lead in preparing a California Economic Development Strategy. Status: Vetoed by the Governor. In his veto message, the Governor stated, *“Since its inception, GO-Biz has expanded direct foreign investment, created opportunities for small businesses, identified incentives for growth, and helped resolve barriers for businesses navigating the government. These successes are due, in part, to the ability of GO-Biz to nimbly respond to rapidly changing economic factors including unpredictable federal decisions, natural disasters and more. I don’t believe an ongoing costly study and report will provide any additional benefit to these efforts.”*

REGISTERED SUPPORT / OPPOSITION:

Support

Greater Sacramento Economic Council (co-sponsor)
 Allworth Financial
 California Apartment Association
 California Association of Boutique and Breakfast Inns
 California Association of Micro Enterprise Opportunity
 California Building Industry Association
 California Business Properties Association
 California Business Roundtable
 California Chamber of Commerce
 California Hotel and Lodging Association
 California Manufacturers and Technology Association
 California Professional Association of Specialty Contractors
 City of Citrus Heights
 City of Lincoln
 City of Rocklin
 City of Roseville
 City of Sacramento
 City of Woodland
 County of Placer Board of Supervisors
 County of Sacramento Supervisor Sue Frost
 County of Sutter
 County of Yuba

El Dorado County Joint Chambers Commission
Elk Grove Chamber of Commerce
Folsom Chamber of Commerce
Health Net
Los Rios Community College District
National Federation of Independent Business Owners, California
PRIDE Industries
Rancho Cordova Chamber of Commerce
River City Bank
Roseville Chamber of Commerce
Sacramento Metropolitan Chamber of Commerce
Sacramento Regional Transit District
Sierra Business Council
Sierra Joint Community College District
SMUD
Teichert
United Chamber Advocacy Network
VSP Global
William Jessup University

Opposition

None received

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