

# **Appendix A**

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

### **Methods of Review for Economic Development Activities**

Tuesday, March 1, 2016, Sacramento, California 9:00 a.m. to Noon

#### **PRELIMINARY AGENDA**

*One of the primary duties of a standing policy committee is to oversee the policy and programs of the state agencies within their jurisdiction. As a first step, it is recommended that each policy committee hold one or more informational hearings to be generally briefed on state agency activities. Ideally these hearings are held early in the session, so that there is time for more specific follow-up oversight hearings.*

*In February and March of 2015, the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) held two general hearings on the California economy and the major programs of the Governor's Office of Business and Economic Development.*

*In today's hearing, the JEDE Members will initiate a more in-depth review of the methods for evaluating economic development activities. On March 15, 2016, the JEDE Committee will hold a program oversight of the Governor's Office of Business and Economic Development.*

#### **I. Welcome, Introductions, and Opening Statements**

*Chair and members of the JEDE Committee will give opening statements and frame the key issues to be examined during the hearing.*

#### **II. Key Features to Program and Organizational Oversight**

- *Elaine Howle, California State Auditor*
- *Ellen Harpel, Founder of Smart Incentives*
- *Jason Sisney, Chief Deputy Legislative Analyst on State and Local Finance*

#### **III. Stakeholder Goals for Economic Development in California**

*A panel discussion with Gurbax Sahota, California Association for Local Economic Development; Joel Ayala, California Hispanic Chambers of Commerce, Malaki Seku-Amen, California Urban Partnership; and Tim Kelley, Imperial Valley Economic Development Corporation.*

#### **IV. Public Comment**

*Anyone interested in addressing the Committee may sign up to speak during the public comment period. A sign-up sheet is located at the back of the hearing room. Written comments may also be submitted to the JEDE Committee Office.*

#### **V. Closing Remarks**

*Assembly Members will make closing remarks and offer recommendations for further actions.*

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## Appendix B

### Fast Facts on the California Economy

#### **California Gross Domestic Product (GDP)**

- California's economy is the 8th largest in the world, larger than Russia and Canada.<sup>i</sup>

- In 2014, California GDP grew from \$2.2 billion to \$2.3 billion. California's largest private industry sectors: Finance, insurance, real estate, rental, and leasing (20.2% of state GDP); trade, transportation, and utilities (12.7% of total GDP); professional and business services (12.0% of state GDP); and manufacturing (12.0% of state GDP).<sup>iii</sup>

<b>Comparison of 2014 GDPs</b>			
<b>Country</b>	<b>GDP</b>	<b>Country</b>	<b>GDP</b>
1 - United States	\$17.41 trillion	9 - Italy	\$2.14 trillion
2 - China	\$10.38 trillion	10 - India	\$2.05 trillion
3 - Japan	\$4.61 trillion	11 - Russia	\$1.85 trillion
4 - Germany	\$3.86 trillion	12 - Canada	\$1.78 trillion
5 - United Kingdom	\$2.94 trillion	13 - Australia	\$1.44 trillion
6 - France	\$2.84 trillion	14 - Korea	\$1.41 trillion
7 - Brazil	\$2.35 trillion	15 - Spain	\$1.40 trillion
8 - California*	\$2.31 trillion		

Source: Department of Finance<sup>ii</sup>

#### **Firms, Employment and Wages**

- There were 701,899 firms in California in 2012: 62% had less than 5 employees, 89% had less than 20 employees, 98% had less than 100 employees, and 99% had less than 500 employees (federal small business definition). About 5,660 firms in California had over 500 employees.<sup>iv</sup>
- There were 18.9 million workers in the California labor force in December 2015 with 17.9 million individuals employed. Month over decrease of 10,000 jobs.<sup>v</sup>
- In December 2015, nonfarm employment rose in ten industry sectors. The largest job gains were in the professional and business services (+15,800); construction (+11,200); trade, transportation and utilities (+7,700); leisure and hospitality (+6,800); information (+5,000); financial activities (+3,900); government (+3,700); other services (+2,700) educational and health services (+2,100); and manufacturing (+1,600).<sup>vi</sup>
- California exported \$165.37 billion, a 5% decline from the \$174.13 billion in exports reported in 2014.<sup>vii</sup> Mexico (\$26.8 billion) and Canada (\$16.9 billion) were the state's largest export markets.<sup>viii</sup> In 2014 (most current reported), 755,000 California jobs were related to state exports,<sup>ix</sup> California imported \$403.4 billion in products from other countries, accounting for 17.2% of total U.S. imports;<sup>x</sup> and China (\$137.6 billion) and Mexico (\$41.2 billion) were the state's largest import markets in 2014.<sup>xi</sup>
- California's median household income in 2014 was \$ (\$53,657 for U.S.)<sup>xii</sup> with 16.4%<sup>xiii</sup> of individuals and 22.7%<sup>xiv</sup> of people under 18 lived in poverty (federal basic definition). Using the more comprehensive method for calculating poverty, which accounts for geographic differences, transfer

payments, and out-of-pocket expenses over a 3-year term, 23.4% of California residents live in poverty, as compared to 15.9% nationally in 2013 (most recent available).<sup>xv</sup>

**Future California Job Market**

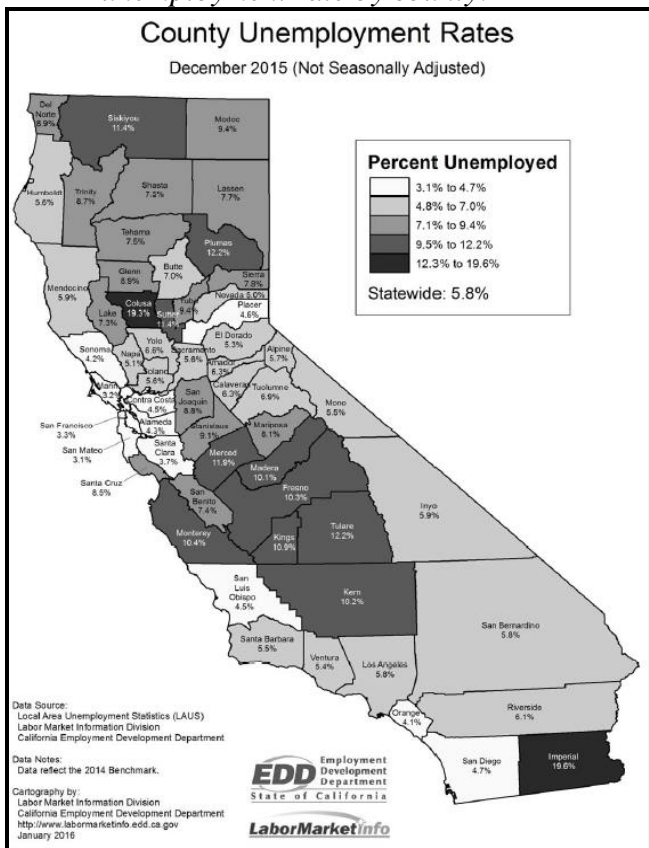
- The Employment Development Department is responsible for accessing future employment needs based on regional industry clusters. *The chart displays employment projections for 2010-2020, including new and replacement jobs.*

Projections for California employment for 2010-2020					
	Industry Sector	Net Jobs		Industry Sector	Net Jobs
1	Hospitality and Tourism	868,186	6	Information and Technology	322,032
2	Retail	731,292	7	Professional, Scientific, & Technical Services	313,080
3	Health Care Services	584,560	8	Financial Services and Real Estate	275,464
4	Education & Knowledge Creation	525,875	9	Construction	263,157
5	Professional and Business Services	445,157	10	Transportation and Logistics	183,710

Source: Employment Development Department<sup>xvi</sup>

**December Unemployment**

- In December 2015, the California seasonally adjusted unemployment rate was 5.8%, up 0.1% from the prior month and down 1.37% from the prior year.<sup>xvii</sup> This figure represents over 1 million unemployed workers.<sup>xviii</sup> Over the same period, the national unemployment rate was 5.0%. *The map displays unemployment rate by county.*<sup>xix</sup>



- The highest unemployment rates by race and ethnicity were among blacks (11.0%), Hispanics (7.6%), and whites (6.0%).<sup>xx</sup>
- Most Californians, 80.4% generally worked full time. There were 1 million persons in California who worked part time involuntarily. They comprise 5.7% of all employed workers during the survey week.<sup>xxi</sup>
- By age group, the highest unemployment group was among workers 16 to 19 (21.1%), down 0.1% from the prior month.<sup>xxii</sup> The largest group of unemployed persons, when sorted by duration, were those unemployed for less than 5 weeks, which represented 28.4% of all unemployed.<sup>xxiii</sup>

Prepared by: Toni Symonds, Chief Consultant; Matthew Hurley, Committee Secretary; and Joaquin Pacheco, JEDE's 2016 Winter Intern.

## **Appendix C**

### **Preliminary Research - Summary of Reports**

1. ***California's Future (February 2015)***: This report, prepared by the Public Policy Institute of California, identifies, assesses, and makes recommendations on California's most significant long-term policy challenges including: climate change, corrections, the economy, health care, higher education, housing, K-12 education, political landscape, population, social safety net, and water. Among other assessments, the report notes the significant regional economic differences with inland California continuing to have higher rates of unemployment. A selection of recommendations include the importance of stimulating business development as a means for supporting a skilled workforce; embracing policies that support a range of industry sectors and not just a handful of currently dominant sectors; promoting economic opportunity through education; an increase in training alternatives to traditional degrees; and continuing to address the state's high prison recidivism rates. A recommendation included within many of the policy areas is the need to collect better data in order to be able assess the effectiveness of policies and programs.  
<http://www.ppic.org/main/publication.asp?i=895>
2. ***California-China Office of Trade and Investment 2014 Annual Report (May 2014)***: This mandated annual report was prepared by GO-Biz and is a condition of maintaining a foreign trade office. In April 2013, California opened its first international trade office since 2003. The California-China Office of Trade and Investment (CCTO) opened in April 2013 to serve the needs of California businesses exporting into China and Chinese investors looking to invest in California. Actions of the CCTO are set forth in a work plan. Among other accomplishments, the trade office met all its administrative milestones including the hiring of staff, officially opening the office, and leading a high-level trade mission to China. Relative to its inbound investment goals, the CCTO participated in double the number investment targeted attraction events and is working on converting these activities into new investments and businesses opening facilities in California. Relative to increasing outbound trade to China, the CCTO exceeded by 50% the number of outreach events by participating in three during the report year and has sponsored three out of the targeted four business development trips.  
<http://www.business.ca.gov/International.aspx>
3. ***California-China Office of Trade and Investment 2015 Annual Report (December 2015)***: This mandated annual report was prepared by the Governor's Office of Business and Economic Development. The California-China Office (CCO) is located in Shanghai and is operated under a public-private partnership between GO-Biz and the Bay Area Council. As initially designed, the CCO serves California exporters and Chinese investors. In 2016, the CCO partnership will be expanded to include additional private, nonprofit network partners, and local governments in California and China. Activities in 2016 will primarily focus on inbound and outbound business development missions, including trade shows, trade missions, business investment/development events, and focused outreach in particular industry sectors. Strategic industries include: clean technology; life sciences; lifestyle (wine, fashion, tourism); education (services and exchanges); and agricultural technology. 2016 goals include:
  - Increase investment in California by assisting Chinese companies to establish or expand their operations in state, including the creation of a pipeline of high quality Chinese companies, promoting investment, especially from target industries; and engaging with stakeholders.

- Assist California companies seeking access to Chinese markets, including concentrating efforts on building the knowledge base to be able to provide strategic advice.
- Build awareness of the CCO and the brand "California" including creating opportunities for speaking engagements, event endorsements, development of communication tools that regularly update relevant stakeholders, and support CCO partners.
- Assist GO-Biz and other state agencies in advancing the state's business-related MOUs.

The only impediment to implementing the strategy is the difficulty in raising funds. One purpose of the expanded trade network is to address this challenge.

The total estimated expenses for the CCO in 2015 was \$592,744, which included salaries and benefits for two staff people of \$437,843. No state money is used to support the CCO. GO-Biz does have three dedicated positions, of which 25% of their time is dedicated to China-related initiatives, including overseeing and engaging with the CCO. <http://www.business.ca.gov/International.aspx>

4. ***California Competes Tax Credit Program Report (December 2014)***: This mandated report was prepared by GO-Biz in response to supplemental budget reporting language. The report chronicles the establishment of the program, adoption of regulations, outreach activities, and a summary of the application process. Between the commencement of the program and December 2014, GO-Biz held 29 application workshops throughout the state, including four online webinars. Between the spring of 2014 and October 31, 2014, GO-Biz expended 2,653 hours of California Competes staff and used 2,822 hours of time redirected by other GO-Biz staff. In the first \$45 million round, GO-Biz received 286 applications for a total of \$330 million in tax credits. At the time of the report, first round awards had not been finalized. Two additional allocation rounds are anticipated in the 2015-16 fiscal year for a total of \$106.1 million in tax credits. *Document is not available online. Contact Go-Biz or the JEDE Committee to request a copy.*
- ***California Infrastructure and Economic Development Bank (2013-14 Fiscal Year)***: This is a mandated report prepared by the California Infrastructure and Economic Development Bank (I-Bank). In 2013-14 the I-Bank issued \$95.9 million in revenue bonds based on loans in the Infrastructure State Revolving Fund with a "AAA" rating from all three major credit rating agencies. The I-Bank also revised its program guidelines for selecting infrastructure and economic expansion projects under its revolving loan fund. In total, \$12.05 million in loans were approved under the revolving loan fund. The I-Bank also assisted the California Department of Public Health by making a short-term loan of \$35 million. These moneys were used to make improvements to water systems, including projects that addressed drinking water issues, throughout California. As a conduit issuer, the I-Bank issued \$735.4 million in bonds on behalf of California manufacturing companies, 501(c)(3) nonprofit entities, and for government entities, which used the funds to create and retain jobs, to facilitate research and cultural activities, and other public purposes. <http://www.ibank.ca.gov/annualreports.htm>
- ***California International Trade and Investment Strategy (February 2014)***: The International Trade and Investment Strategy is prepared by GO-Biz every five years for the purpose of guiding the implementation of a comprehensive international trade and investment program for the state. The 2014 governing policy framework is that by increasing trade, the state will create jobs, increase revenues, and improve the state's competitiveness – while still being able to serve as a leader in sustainable development. There are four goals including the expansion of California exports,

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

5. ***California Small Business Finance Center Annual Report (January 2015)***: This mandated annual report was prepared by the California Infrastructure and Economic Development Bank on its activities in managing the Small Business Finance Center and the Small Business Loan Guarantee Program. In fiscal year 2013-14, 176 guarantees for \$72.2 million in loans were made using \$51.4 million of federal State Small Business Credit Initiative funds. Borrowers reported over 7,235 jobs being created or retained as a result of these federally funded guarantees. The state guarantee program was used to provide 169 guarantees with \$23 million in loans with 2,823 jobs created or retained as a result of the state program. Of the 345 loans guaranteed using the federal and state funds, 64.6% were male, 17.1% were women, and 18.26% were co-owned by men and women. The race/ethnicity of small businesses assisted: 62.9% were Caucasian, 10.43% Asian, 8.99% Hispanic, 3.77% African American, 5.22% Asian Indian, and 0.29% Native American. <http://ibank.ca.gov/annualreports.htm>
6. ***Career Technical Enhancement Fund Report (March 2015)***: The mandated Supplemental Budget Report was prepared by the Workforce and Economic Development Division of the California Community College System. With the enactment of the 2014-15 Budget Act, \$50 million was appropriated to the California Community Colleges for the purpose of expanding, enhancing, and improving career technical education. Among other things, the money could be used for helping community colleges purchase equipment, align and develop curriculum, and provide professional development training. Funding was awarded to districts based on enrollment related criteria and then further divided between individual community colleges (60%) and regions (40%). Key topics covered in the report include addressing the high cost of career technical training, aligning other resources to create a scale and support regional economies, and making better use of local and regional labor market information. The report also discloses on the use of funds by region and industry sector. The California Community College Chancellor is requesting \$25 million in the 2015-16 budget to continue this work. *Document is not available online. Contact JEDE Committee to request a copy.*
7. ***Equity-based Crowdfunding: Potential Implications for Small Business Capital (2015)***. This issue brief, prepared by the SBA Office of the Advocate, provides general background on the crowd funding provisions contained within the federal Jumpstart Our Business Act of 2012, as well as implementation issues and two examples of the online crowdfunding platforms. The brief also includes an outline of how small businesses may benefit once the federal regulations are released. Among other advantages, equity-based crowdfunding does not require collateral as traditional lending, there is no dilution of ownership as would likely be required by venture capital investors, and should the business fail, there is no requirement to pay the investor back. Further, the investor networks can also provide creditability within their broader business environment. <https://www.sba.gov/advocacy/promising-future-equity-based-crowdfunding>

8. ***Equity, Growth, and Community: What the Nation Can Learn from America's Metro Areas***. This book examines the impact of social and economic inequality on the vibrancy and success of a community. Most significantly, the researchers looked at how epistemic (or knowledge) communities served as catalysts for helping communities successfully implement strategies that reduce poverty and inequality, while at the same time increase economic growth. The researchers used a combination of qualitative and quantitative methodologies, including 11 case studies, of which one California city participated (Sacramento). <http://www.luminosoa.org/site/books/detail/5/equity-growth-and-community>
9. ***Export Nation 2013, U.S. Growth Post recession, Global Cities Initiative (2013)***. This report, prepared under a joint project of the Brookings Institute and JP Morgan Chase, analyzes key export trends between 2003 and 2012 for the 100 largest metro areas in the U.S. Key findings from the report include:
- Exports drove post-recession growth in the 100 largest metro areas.
  - Few metro areas are on track to achieve the NEI goal of doubling exports in five years.
  - The 10 largest metro areas, by export volume, produced 28 percent of U.S. exports in 2012.
  - Two-thirds of the largest metro areas underperformed in the United States as a whole on export intensity.
  - The most export-intensive metro areas are highly specialized in certain industries.
  - Metro areas whose export intensity grew fastest experienced higher economic growth.
  - Metro area manufacturing exports grew to record levels in 2012.
  - Services accounted for more than half of post-recession export growth in 11 metros, including San Francisco, Washington DC, and New York.
  - Certain industries, especially in the services sector, produce almost all of their exports in the top 100 metro areas.
  - Both highly specialized and highly diversified metros performed well from 2003 to 2012.
10. ***Foundation for a Better California (2015)***. This report, prepared by the California Chamber of Commerce, provides an overview of the California economy noting that the economic recovery has been uneven and that certain industry sectors continue to lag in job recovery. In setting a public policy platform for moving forward, the report recommends five overarching principles with multiple specific policy actions under each principle. The principles are:
- Keep taxes on new investment and business operations low, fair, stable, and predictable.
  - Reduce regulatory and litigation costs of operating a business – especially when hiring and keeping employees;
  - Reduce the cost and improve the certainty and stability of investing in new and expanded plants, equipment, and technologies;
  - Invest in public and private works that provide the backbone for economic growth; and
  - Ensure availability of high-quality skilled employees.

The report also includes extended narrative relative to these recommendations, including international trade, data security, and workforce preparation. Within the workforce preparation sections, the report provides background on the opportunity gap, early childhood education, Common Core, and challenges in the state's higher education system.

<http://advocacy.calchamber.com/policy/issues/foundation-for-a-better-california/>



11. **The Global Competitiveness Report 2015-16 (2015)**. This report, prepared for the World Economic Forum, provides a comprehensive assessment of 140 world economies through the use of over 100 indicators spread out among 12 basic categories. The U.S. ranks third in the world, behind Switzerland and Singapore. The Report questions whether sluggish growth and persistent unemployment are the new normal. Among other findings, the report notes a correlation between competitiveness and an economy's ability to nurture, attract, leverage and support talent. While top-ranking countries do this well, in many countries, too few people have access to high-quality education and training, and labor markets are not flexible enough. <http://reports.weforum.org/global-competitiveness-report-2015-2016/>
12. ***A Matter of Degrees: The Effect of Educational Attainment on Regional Economic Prosperity (2013)***. This report, prepared by the Milken Institute, examines the relationship between human capital and regional economic prosperity. The study, which assessed the top 50 metropolitan statistical areas in the U.S., found that educational attainment increases regional prosperity, that there are quantifiable benefits to regional economies for adding even one year of education to its residents, that the regional impact is greatest when the additional year is added in certain technology industries, and that MSAs with clusters of high skilled occupations tend to attract more higher education attained workers. <http://www.milkeninstitute.org/publications/view/564>
13. ***A New Plan for a New Economy: Reimagining Higher Education (2013)***. This report, prepared by the Little Hoover Commission, found that Californians are not adequately served by the current higher education system and, that given the state's finite resources; it needs to develop a way to achieve better outcomes for more students. To address these findings the Commission recommends (1) the development of a new master plan; (2) providing incentives for colleges and districts to collaborate and expand counseling and outreach to middle and high schools; (3) linking a portion of funding to achieving specific goals; (4) requiring the UCs to adopt standardized and comprehensive budgeting processes; (5) providing incentives for developing high-demand introductory courses and bottle-neck courses (traditional and online) that can be transferred to all campuses in all three higher education segments; and, (6) providing incentives for the creation of a student-focused Internet portal that aggregates individual student records into master transcripts of classes that have been taken at different institutions. <http://www.lhc.ca.gov/studies/218/report218.html>
14. ***Office of the Small Business Advocate Annual Report (January 2015)***: This mandated annual report, prepared by the state Small Business Advocate, identifies projects from the report year, as well as activities proposed in the following year. Highlights from the Small Business Advocate's year include her work on establishing two new programs: A \$2 million competitive grant program to fund technical assistance to small businesses looking for capital and a *Made in California* labeling program to create awareness about goods produced in the state. In addition, the Small Business Advocate managed GO-Biz's Interagency Working Group in collaboration with GO-Biz's Permit Assistance Unit, which works on regulatory issues with departments and agencies including the California Environmental Protection Agency and the Department of Industrial Relations. The Advocate also conducted, external outreach activities, including educational workshops for small business owners, and maintains a comprehensive list of online resources for small businesses on technical assistance, financial assistance, and state procurement opportunities. <http://www.business.ca.gov/Programs/SmallBusiness.aspx>

15. ***Office of Small Business Advocate and Made in California Program Annual Report (January 2016)***: This mandated annual report, prepared by the state Small Business Advocate, identifies projects from the report year (October 2014-September 2015), including the Made in California Program and activities proposed in the following year. Among other information, the report summarizes findings from the U.S. Small Business Administration's profile on California and a Ewing Marion Kauffman Foundation report on the rise of small business activity in 49 of the 50 states, including California. In May 2015, Governor Brown appointed Jesse Torres to the position of the state Small Business Advocate (Advocate). The report outlines the Advocate's work in four primary areas: advocacy; information gathering and dissemination; coordination state agencies; and business assistance. The most commonly requested assistance during the report period related to information on how to start or expand a business, access capital, understand regulations, navigate the state procurement process, and obtain business permits. Among other accomplishments, the Advocate re-launched the "Coffee with GO-Biz" event series, engaging with the California Commission on Disability Access, presented at 20 small business events, held the mandatory disaster preparedness workshop, and hosted three free webinars in honor of Small Business Month. The Advocate works to help state agencies work more effectively with the small business community. In addition to managing two business assistance programs, the advocate works with other GO-Biz organizational units and partners including: California Competes Tax Credit; International Affairs and Business Development, California Business and Investment Services, and the California Infrastructure and Economic Development Bank. Under the Advocate's Capital Infusion Program, 34 small business development centers received funds in 2014-15 and 41 in 2015-16. These moneys are used to provide free one-on-one counseling to small businesses seeking capital. The initial \$2 million in funding resulted in 9,702 businesses being served and \$202 million in new capital becoming available to small businesses in the state. Plans for 2015-16 are to continue to work on the four core areas discussed above. The report includes a complete list of 2016 Advocacy goals and expected outcomes. The Made in California program completed the adoption of its regulations and GO-Biz is currently developing its website. In 2016, GO-Biz plans to implement a digital media campaign, develop marketing materials, and maintain its website.

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

16. ***In Search of a Level Playing Field: What Leaders of Small Business Organizations Think About Economic Development Incentives (2015)***. The report, prepared for Good Jobs First, presents the findings from a national survey of leaders from 39 small business organizations (representing over 24,000 members) on issues relating to economic development incentives. Among the key findings, the survey found:

- 92% believe there is a spending bias on incentives toward large businesses (69% strongly agree)
- 85% believe that the state incentives in their state do not effectively address the current needs of small businesses (36% strongly agree)
- 62% believe that incentives like tax credits are less valuable to small businesses than other forms of assistance. (31% strongly agree)

Overall, the report states that survey respondents called for greater access to capital and that a higher priority should be placed on broader public investments that benefit all size businesses and grow the local consumer base including workforce development, education, and transportation.

<http://www.goodjobsfirst.org/publications>

17. *The State of Higher Education in California (2015)*: This report provides a demographic profile of Latinos, Blacks, Asian Americans, Native Hawaiians, and Pacific Islanders in California, including issues related to educational attainment, college readiness, and college completion. The report also provides the following recommendations:

- Create a state plan for higher education;
- Ensure colleges assist students to successfully move from remediation courses to college-level work;
- Provide clear transfer pathways to four-year degrees;
- Expand college knowledge in middle and high schools and invest in support services;
- Fund colleges for both enrollment growth and successful outcomes;
- Strengthen financial support options of students coming from lower and middle-income households;
- Allow California public universities to use race/ethnicity as a factor in weighing applicant qualifications for admission.

<http://collegecampaign.org/portfolio/april-2015-state-of-higher-education-in-california-the-latino-report/>

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## Appendix D Profile of Small Businesses

**Chart 1** shows data on the number and size of businesses in the U.S. and California. **Chart 2** shows the change in the number of businesses firms based on race, ethnicity, and veteran-owned.

<b>Chart 1 - 2011 Business Profile By Size (excludes non-employer firms)</b>						
Area Description	Employment Size	Number of Firms	Percent of Firms	Employees	Percent of Jobs	Annual Payroll (\$1,000)
United States	Total	5,684,424		113,425,965		\$5,164,897,905
California	Total	689,568	12% of U.S. Firms	12,698,427	11% of all U.S. Jobs	\$663,570,657
United States	0-4	3,532,058	62% of U.S. Firms	5,857,662	5% of U.S. Jobs	\$230,422,086
California	0-4	429,139	62% of CA Firms	702,508	5.5% of CA Jobs	\$35,472,447
United States	<20	5,104,014	89.7% of U.S. Firms	20,250,874	17.8% of U.S. Jobs	\$732,759,369
California	<20	614,538	89.1% of CA Firms	2,386,296	18.7% of CA Jobs	\$99,417,066
United States	0-99	5,585,510	98.2% of U.S. Firms	39,130,875	34% of U.S. Jobs	1,478,844,420
California	0-99	672,360	97% of CA Firms	4,587,628	36.1% of CA Jobs	194,611,832
United States	<500	5,666,753	99.6% of U.S. Firms	54,998,312	48.4% of U.S. Jobs	\$2,169,353,973
California	<500	683,999	99.1% of CA Firms	6,331,871	49.8% of CA Jobs	\$280,857,823
United States	500+	17,671	0.3% of U.S. Firms	58,427,653	51.5% of U.S. Jobs	\$2,995,543,932
California	500+	5,569	0.8% of CA Firms	6,366,556	50.1% of CA Jobs	\$382,712,834

Source: U.S. Census <http://www.census.gov/econ/susb/index.html>

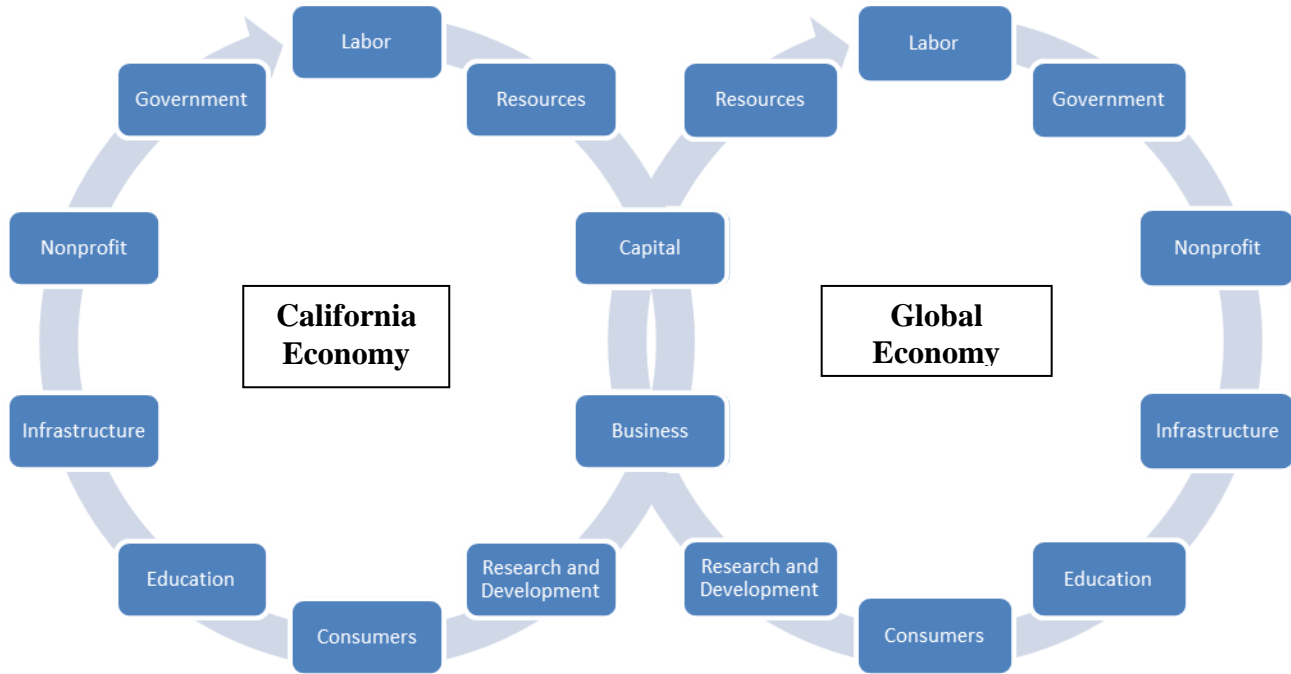
<b>Chart 2 - Percent Change in the Number of Business by Race, Ethnicity, and Veterans (2007 to 2012)</b>			
Business Ownership	Percent Change	Business Ownership	Percent Change
Asian American Women	44.3%	Hispanic Men	39.3%
Asian American Men	25.7%	White Women	10.1%
Black Women	67.5%	Veteran Women	29.6%
Black Men	18.8%	Veteran Men	7.7%
Hispanic Women	87.3%		

Source: 2012 Survey of Business Owners

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# Appendix E

## Ten Economic Drivers of the California Economy



The strength of the economy is based on how effective each of these drivers is performing. Issues with any one element can impact the capacity and effectiveness of the whole economy.

### Key National and Global Economic Trends

There are a number of key characteristics that differentiate the post-recession economy from that of the latter 20<sup>th</sup> Century. Remaining competitive will require both the public and private sectors to adopt new and more agile thinking about natural resources and the deployment of human, physical, and financial capital. **The Chart** below describes key trends that are redefining the post-recession era.

Key Economic Trends Affecting the California Economy	
<b>1</b>	Cities and regions will become the dominant drivers of economic growth. State and national policies will need to be modified to reflect these emerging centers economic power.
<b>2</b>	Advancing information and transportation technologies are expanding networks, making interregional and global relationships increasingly more important.
<b>3</b>	Ideas and products are increasingly designed and assembled within networks that are more collaborative than combative.
<b>4</b>	Barriers to trade will continue to decline among both developed and emerging economies. The world's largest companies will increasingly be headquartered in emerging foreign markets.
<b>5</b>	Job growth will be driven by smaller size companies that are better able to meet specialized consumer needs and connect to diverse supply chains within expanding global markets.
<b>6</b>	Scarcity and the impact on the environment will continue to put increasing pressure on the development and deployment of alternative and lower carbon fuels.
<b>7</b>	Deepening income inequality will result in costly outcomes and require the diversion of public resources to address unemployment, poverty, social unrest, and violence.
<b>8</b>	As the large "Baby Boomer" population transitions from the workforce, productivity will become even more dependent on accessing middle and high skilled workers that can utilize evolving technologies and systems.
<b>9</b>	The available workforce will be substantially smaller, more diverse, and have educational backgrounds that were provided through school systems that lag other industrialized nations.

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## Appendix F

# March 15, 2016 Hearing DRAFT Agenda - Oversight of the Governor's Office of Business and Economic Development

### PRELIMINARY AGENDA

*This year marks the fifth year since codification of the Governor's Office of Business and Economic Development (GO-Biz) through the enactment of AB 29 (John A. Pérez) Chapter 475, Statutes of 2011, and three years since the implementation of the Governor's Reorganization Plan 2, which added substantial new duties.*

*In today's hearing, the Members of the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) will be examining the operations and outcomes of GO-Biz in order to ensure alignment of policy priorities, funding, and statutory direction. This hearing is a follow-up to the Committee's more general program and policy reviews last year (February and March of 2015) and its review of the methods for evaluating economic development activities on March 1, 2016.*

## **II. Welcome, Introductions, and Opening Statements**

*Chair and members of the JEDE Committee will give opening statements and frame the key issues to be examined during the hearing.*

## **II. Opening of the Program Review**

*Panorea Avdis, Director of the Governor's Office of Business and Economic Development*

## **III. Small Business Assistance**

- *Panel One – Presentation by representatives from GO-Biz and Other State Agencies*
- *Panel Two –Stakeholder Dialogue*

## **III. Office of International Trade and Foreign Investment**

- *Panel One – Presentation by representatives from GO-Biz and Other State Agencies*
- *Panel Two –Stakeholder Dialogue*

## **IV. Direct Business Assistance Programs: Office of Innovation, Office of Permit Assistance, California Business Investment Services, and California Competes Tax Credit**

- *Panel One – Presentation by representatives from GO-Biz and Other State Agencies*
- *Panel Two –Stakeholder Dialogue*

## **III. Public Comment**

*Anyone interested in addressing the Committee may sign up to speak during the public comment period. A sign-up sheet is located at the back of the hearing room. Written comments may also be submitted to the JEDE Committee Office.*

## **IV. Closing Remarks**

*Assembly Members will make closing remarks and offer recommendations for further actions.*

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## **Appendix G**

### **Summary of GO-Biz Programs and Services (2015 Review)**

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

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

#### The Business Investment Services Unit (seven positions)

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

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

#### The Permit Assistance Unit (three positions)

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

#### **GO-Biz Mission**

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

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

#### The Office of the Small Business Advocate (three positions)

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

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

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

#### Innovation and Entrepreneurship Unit (one position)

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

#### International Trade and Investment (three positions)

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

*The reports section of this report includes a summary with more program information and a hyperlink to the California International Trade and Investment Strategy, as well as the 2014 annual report on the California-China Office of Trade and Investment.*

#### California Competes Tax Credit Program (seven positions)

The California Competes Tax Credit is an individually negotiated tax credit for businesses that are relocating to, or expanding in California. Awards are based on the number of jobs/amount of investment made by the business relative to the amount of credits requested.

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

GO-Biz conducts several allocation rounds per year, with the first round awarding \$30 million in 2013-14. In the budget year, \$150 million is authorized to be awarded and \$200 million for each of the

following three years. Twenty-five percent of each fiscal year's awards are required to be awarded to small businesses, defined as having less than \$2 million in gross revenues. *A summary of a Supplemental Budget Report on the first year of the program is included in the reports section of this report. Appendix 10 includes a GO-Biz prepared Frequently Asked Questions list about California Competes.*

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

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

#### The California Film Commission (12 positions)

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

#### The Travel and Tourism Commission (52 positions)

The Travel and Tourism Commission (also known as Visit California), is a private-non profit entity, created in 1997 by the California Tourism Marketing Act, for the purpose of working with the State of California. The budget for the marketing activities is provided through an assessment in the travel and tourism industry.

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

#### The Infrastructure and Economic Development Bank (24 positions)

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

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

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

*more program information and hyperlink to the I-Bank's 2013-14 Annual and the Small Business Finance Center.*

## **Appendix H**

### **Preliminary Data Requests for GO-Biz**

#### General Overview

- Looking back over the past several years, what are primary roles The Governor’s Office of Business and Economic Development (GO-Biz) has played within the state's economic development network?
- What was the largest number of people that were employed directly by GO-Biz in 2014 and 2015? Please list the number of individuals in each GO-Biz organizational unit.
- In 2014 or 2015, were people working at GO-Biz through an interagency transfer agreement? If so, please identify their position at GO-Biz, including classification and the government entity from which they were formally aligned.
- Attached is a list of selected legislation signed by the Governor relating to GO-Biz. Please indicate on the list whether the bill has been (1) fully implemented; (2) partially implemented; (3) not implemented. Include other information, as appropriate. *List appears in Appendix I.*
- The program review will generally cover each of the following organizational units. Please list the program and/or services currently provided by GO-Biz under each of the areas.
  - California Business Investment Services unit
  - Permit Assistance unit
  - Innovation and Entrepreneurship unit
  - California Infrastructure and Economic Development Bank
  - Office of the Small Business Advocate
  - Small Business Finance Center
  - International Affairs and Trade Development unit
  - California Competes Tax Credit
  - Office of External Affairs

#### Data on Business Assistance

- How do you track your business assistance activities?
- How many California businesses were assisted by GO-Biz in 2014 and in 2015? Do you have data on the general geographic location of these businesses? Do you know the general size of the businesses and industry sectors assisted? If so, please provide.

- How many businesses from outside California were assisted by GO-Biz in 2014? How many in 2015? Where were the headquarters of these businesses located? Do you know the general size of the businesses and industry sectors assisted? If so, please provide.
- Do you track site location referrals? If so, please explain the monitoring process, including data on outcomes. Do you know which areas of the state receive the most referrals? What are the most commonly requested site location requirements?
- How many letters of business assistance has GO-Biz prepared in 2014? How many in 2015? Do you conduct follow-up with the businesses and individuals to which the letters were provided? Do you track outcomes from these letters? If so, please explain and provide related data.
- For businesses that received assistance in 2015, can you give examples of the types of services most often provided?

#### Outreach Activities and Technical Assistance

- Please provide a list of outreach activities GO-Biz hosted in 2014 and 2015, including the purpose of the event, location, and number of individuals who attended. Among other events, the information should include, but not be limited to, SBLG events, California Competes Workshops, and the Grow California Summit.
- Please provide a list of outreach activities GO-Biz participated in that another group hosted in 2014 and 2015. Include the host organization, purpose of the event, and number of individuals in attendance (if known).
- Can you explain how GO-Biz measures the success of its outreach activities? If GO-Biz tracked outcomes from outreach events, please explain the tracking system and provide information about the results of these activities.
- Please provide a list of technical assistance provided by GO-Biz to businesses in 2014 and 2015. Give examples of the types of assistance provided, including how this differs from any outreach activities described under a separate question.

#### Policy Leadership including Legislation

- Please provide a list of conferences, summits, and town halls that GO-Biz attended in 2014 and 2015, which are not otherwise listed under outreach and technical assistance. Include the purpose of the event, location, and any other information you determine to be relevant. There is no need to identify every meeting in which GO-Biz staff participated. As the state's leading entity for economic development, the JEDE members are interested in your participation with the broader economic development community.
- Please provide a list of legislation sponsored by or supported by GO-Biz from 2012 through 2015.



- Please provide a list of state or federal policies, programs, regulations, strategies, plans, or other government documents on which GO-Biz formally submitted comments in 2013, 2014, and 2015.
- Please provide a list of public and nonprofit boards, commissions, or advisory bodies on which GO-Biz served in 2013, 2014, and 2015, including nonvoting members.

### International Trade and Foreign Investment

- Please provide a list of MOUs and similar agreements between California and a foreign state, regional, or national government, and specifically identify GO-Biz' role and responsibilities under the agreement. If you would like, include examples of specific activities GO-Biz has taken or facilitated related to these agreements.
- What were the purpose and the outcomes from the January 2016 California and Mexico event in San Diego? What follow-up actions related to business and economic development were discussed?
- Does the Governor plan to open a trade office in Mexico? If so, what would be the timeframe?
- If funding was available, would the Governor be supportive of trade offices in Europe and Asia?
- Please explain GO-Biz' activities related to the EB-5 investment visa program including activities with regional centers and foreign investors.

### California Competes

- How many tax credit awards have been awarded since inception? What is the total value of tax credits awarded for all taxpayers and for small business taxpayers? Any credits returned?
- What is the average size of credit awards for small business taxpayers? What is the average size of credit awards for all businesses, excluding the small business taxpayers?
- Based on the tax credit agreements, how many new jobs are anticipated to be created and how many jobs are anticipated to be retained?
- How many and what is the dollar amount of credits made to taxpayers doing business in a high unemployment or high poverty areas since the program's inception? Provide a list of the names of the companies and the specific geographic locations including the tax credit amount, number of jobs, investment.
- Please provide a description of how the tax credit agreements are being monitored?
- What industry sectors have applied most often for tax credits? Which industry sectors have received the most credits by dollar amount? Which industry sectors have submitted applications for the greatest capital investment? Which industry sectors have submitted applications for the highest number of jobs?

### Innovation and Entrepreneurship

- Please provide a list of iHubs. The list should include the name(s) of lead partners, a one to two sentence description of each iHub's purpose, and the geographic areas the iHub covers.
- Please describe how the progress of iHub activities is monitored?

### Additional Information

Please provide any additional information the JEDE Committee may find useful including case studies, data of program outcomes, and reports by other government and nongovernment entities.

## **Appendix I**

### **List of Signed Bills Impacting GO-Biz (2011-2015)**

For each of the bills listed below, please indicate whether the bill has been (1) fully implemented; (2) partially implemented; (3) not implemented.

#### ***2011-2012 Legislative Session***

- ***AB 29 (John A. Pérez, Feuer and V. Manuel Pérez) Office of Business and Economic Development:*** This bill establishes The Governor's Office of Business and Economic Development (GO-Biz), to be administered by a director appointed by the Governor. The bill would also transfers the Office of the Small Business Advocate to the Office of Economic Development. Status: Signed by the Governor, Chapter 475, Statutes of 2011.
- ***AB 901 (V. Manuel Pérez) Small Business Act Implementation:*** This bill updates terms and makes clarifications to assist the successful implementation of the federal and state small business acts of 2010. Status: Signed by the Governor, Chapter 483, Statutes of 2011.
- ***AB 2012 (John A. Pérez) Economic Development Reorganization:*** This bill transfers the authority for undertaking international trade and foreign investment activities from the Business, Transportation and Housing Agency to GO-Biz. In addition, the bill transfers the responsibility for establishing an Internet-based permit assistance center from the Secretary of the California Environmental Protection Agency to GO-Biz. Status: Signed by the Governor, Chapter 294, Statutes of 2012.
- ***AB 2671 (Assembly Committee on Jobs, Economic Development and the Economy) Small Business Access to Capital:*** This bill makes the 2007 program enhancements permanent by removing the sunset on the maximum allowable leverage of reserve funds under the Small Business Loan Guarantee Program (SBLGP). More specifically, the bill deletes the sections of the law that would become effective January 1, 2013 that set the maximum reserve of four dollars for every one dollar of loan guaranteed. The effect of this change is to make the five dollars for every one dollar guarantee the permanent maximum reserve. The Director of the SBLGP has the discretion to set a lesser leverage amount for the overall program and for any individual small business financial development corporation. Status: Signed by the Governor, Chapter 648, Statutes of 2012.

#### ***2013-2014 Legislative Session***

- ***AB 93 (Assembly Committee on Budget) California Competes Tax Credit and State Sales and Use Tax Exemption:*** This bill institutes three new tax programs, a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases; a California Competes tax credit for attracting and retaining major employers; and a hiring credit under the Personal Income Tax and Corporation Tax for employment in specified geographic areas. Additionally, the bill results in the phasing-out and ending of certain tax provisions, related Enterprise Zones and similar tax incentive areas, and the end of the current Small Business New Jobs Credit tax incentive program. The bill also provides for allocating the California Competes tax credit

through GO-Biz to assist in retaining existing and attracting new business activity in the state. Status: Signed by the Governor, Chapter 69, Statutes of 2013.

- ***AB 337 (Allen) Economic Development: International Trade and Investment Strategy:*** This bill adds specificity to the development and content of the state international trade and investment strategy (ITI Strategy), which is an existing report requirement of GO-Biz. This bill requires the ITI Strategy to be based on current and emerging market conditions and the needs of investors, businesses, and workers. Specific new content requirements include the addition of a framework, which can be used by GO-Biz to evaluate the changing needs of business during the five-year term of the ITI Strategy. Status: Signed by the Governor, Chapter 776, Statutes of 2014.
- ***AB 250 (Holden and V. Manuel Pérez) Codification of California Innovation Hubs:*** This bill codifies and expands the California Innovation Hub Program at GO-Biz for the purpose of stimulating economic development and job creation through the regional coordination of federal, state, and local innovation-supporting resources. Status: Signed by the Governor, Chapter 530, Statutes of 2013.
- ***AB 393 (Cooley) GO-Biz Website:*** This bill requires the Director of GO-Biz to ensure that the GO-Biz website contains information on the fee requirements and fee schedules of state agencies. Status: Signed by the Governor, Chapter 124, Statutes of 2013.
- ***AB 690 (Campos and Medina) State Government: International Relations:*** This bill repeals and recasts statutory provisions relating to the California-Mexico Border Relations Council and adds the Director of GO-Biz to its membership. Status: Signed by the Governor, Chapter 716, Statutes of 2014.
- ***AB 1067 (Medina) EB-5 Immigration Oversight:*** This bill establishes the California Foreign Investment Program within GO-Biz to oversee the state's participation in the federal EB-5 foreign investment visa program. Among other things, this office will set the terms and conditions regarding the designation of targeted employment areas, as related to the EB-5 visas. Status: Signed by the Governor, Chapter 535, Statutes of 2013.
- ***AB 1247 (Medina and Bocanegra) Small Business Finance Center:*** This bill establishes the California Small Business Finance Center at the I-Bank, within the Governor's Office and Economic Development, and transfers the authority to administer the small business loan guarantee program and other related programs to the I-Bank. Status: Signed by the Governor, Chapter 537, Statutes of 2013.
- ***AB 1560 (Quirk-Silva) More Credits for California Competes:*** This bill authorizes the Department of Finance to increase the annual tax credit allocation under the California Competes Tax Credit Program by \$25 million per year. The bill includes legislative intent that the increase be used to offset the decrease in the program's funding due to the recently enacted tax credit program for the aerospace industry. Status: Signed by the Governor, Chapter 378, Statutes of 2014.

- ***AB 2137 (Quirk) Small Business Energy Efficiency:*** This bill requires the Office of the Small Business Advocate within GO-Biz to include a link to the Energy Upgrade California Internet Web Site on its homepage. Status: Signed by the Governor, Chapter 290, Statutes of 2014.
- ***SB 12 (Corbett) "Made in California" Labeling:*** This bill establishes the “Made in California Program” within GO-Biz for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California. Status: Signed by the Governor, Chapter 541, Statutes of 2013.
- ***SB 798 (De León) Green Infrastructure Bank:*** This bill establishes the California Green Infrastructure Bank as a public corporation. The executive director of the bank is to be appointed by the Governor and subject to Senate confirmation. The bill authorizes the bank to issue loans and bonds that facilitate green economic development, and adds the bank to the list of investments eligible for funds from the Greenhouse Gas Reduction Fund. Status: Signed by the Governor, Chapter 367, Statutes of 2014.

### ***2015-2016 Legislative Session***

- ***AB 194 (Frazer) Toll Facility Financing:*** This bill extends indefinitely the California Transportation Commission's (CTC's) authority to authorize regional transportation agencies to develop and operate high-occupancy toll lanes and expands the authority to include other toll facilities; adds similar authority for the CTC to authorize the California Department of Transportation to develop toll facilities. Authorizes the California Infrastructure and Economic Development Bank to issue bonds to finance the development, construction, and reconstruction of toll facilities, as specified. Status: Signed by the Governor, Chapter 687, Statutes of 2015.
- ***AB 1270 (E. Garcia) California Workforce Innovation and Opportunity Act:*** This bill aligns California statute with the new requirements of the federal Workforce Innovation and Opportunity Act of 2014. The bill sets the foundation for policy changes in 2016 through SB 45 (Mendoza). Status: Signed by the Governor, Chapter 94, Statutes of 2015.
- ***AB 1533 (JEDE) Infrastructure and Economic Development Bank Omnibus Bill:*** This bill updates definitions used by the California Infrastructure and Economic Development Bank when authorizing financing of infrastructure projects and economic development-related facilities. Further, the bill codifies the transfer of federal funds and grantee status from GO-Biz to the Valley Economic Development Center, Inc., as specified. Status: Signed by the Governor, Chapter 383, Statutes of 2015.
- ***AB 1537 (JEDE) Small Business Finance Center:*** This bill expands reporting requirements for programs financed through the California Small Business Finance Center by including annual reporting on the general geographic location of assisted businesses. This information is essential to monitoring that small businesses throughout the state have access to these programs. Status: Signed by the Governor, Chapter 191, Statutes of 2015.
- ***SB 111 (Fuller) Schools on Military Installations:*** This bill expresses the intent of the Legislature to assist school districts in the 2015-16 Fiscal Year to meet the matching share

requirement of a school construction grant made by the Office of Economic Adjustment of the federal Department of Defense to construct, renovate, repair, or expand elementary and secondary public schools located on military installations. The bill requires the Department of Finance to explore options on how best to assist school districts in meeting the matching share requirement of the federal school construction grant, including, but not limited to making low-interest loans available to school districts through the California Infrastructure and Economic Development Bank. Status: Signed by the Governor, Chapter 447, Statutes of 2015.

# End Notes

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- <sup>i</sup> Top Countries Ranked by Its GDP, California's World Ranking 2014, [http://www.dof.ca.gov/html/fs\\_data/latestecondata/FS\\_Misc.htm](http://www.dof.ca.gov/html/fs_data/latestecondata/FS_Misc.htm), accessed 6/29/15
- <sup>ii</sup> Top Countries Ranked by Its GDP, California's World Ranking 2014, [http://www.dof.ca.gov/html/fs\\_data/latestecondata/FS\\_Misc.htm](http://www.dof.ca.gov/html/fs_data/latestecondata/FS_Misc.htm), accessed 6/29/15
- <sup>iii</sup> "Value Added by Industry as a Percentage of GDP" prepared by Bureau of Economic Analysis, released 4/23/2015
- <sup>iv</sup> 2012 U.S. and State Industry Totals Data, Statistics of U.S. Businesses, U.S. Census <http://www.census.gov/econ/susb/> or [http://www2.census.gov/econ/susb/data/2012/us\\_state\\_totals\\_2012.xls](http://www2.census.gov/econ/susb/data/2012/us_state_totals_2012.xls), accessed 4/08/15
- <sup>v</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16
- <sup>vi</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16
- <sup>vii</sup> California Trade Report, Beacon Economics," [https://beaconecon.com/products/trade\\_report](https://beaconecon.com/products/trade_report) accessed 2/22/16
- <sup>viii</sup> International Trade Administration, U.S. Department of Commerce, "Global Patterns of a State's Exports," <http://tse.export.gov/TSE/MapDisplay.aspx> accessed 4/09/15
- <sup>ix</sup> International Trade Administration, Jobs Supported by State Exports 2014, [http://www.trade.gov/mas/ian/build/groups/public/@tg\\_ian/documents/webcontent/tg\\_ian\\_005411.pdf](http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005411.pdf) accessed 2/22/2016
- <sup>x</sup> U.S.Census, "State Imports for California 2014", <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html>, accessed 4/09/15
- <sup>xi</sup> U.S. Census, "State Imports California 2014", <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html>, accessed 3/9/15
- <sup>xii</sup> ACS 2014; <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> accessed 2/22/2016
- <sup>xiii</sup> ACS 2014; <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> accessed 2/22/2016
- <sup>xiv</sup> ACS 2014, <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> accessed 2/22/2016
- <sup>xv</sup> U.S. Census, ACS, <https://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-251.pdf> accessed 08/12/2015
- <sup>xvi</sup> EDD, Quarterly Market Review, April 2014 [http://www.calmis.ca.gov/SpecialReports/Statewide\\_REA\\_Profile\\_Jun2014.pdf](http://www.calmis.ca.gov/SpecialReports/Statewide_REA_Profile_Jun2014.pdf), Accessed 4/09/15
- <sup>xvii</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16
- <sup>xviii</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16
- <sup>xix</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16
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- <sup>xxi</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16
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- <sup>xxiii</sup> EDD, Labor Market Review, December 2016, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 1/27/16