

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY APRIL 11, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1107

Introduced by Assembly Member Arambula

February 23, 2007

An act to amend Sections 15570 and 65072 of, and to add Section 15571 to, the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1107, as amended, Arambula. Goods movement: small businesses and microenterprises.

Existing law requires the Department of Transportation to prepare the California Transportation Plan, which contains policy, strategies, and recommendations elements. Existing law requires the Secretary of Labor and Workforce Development to lead the preparation of a biennial California Economic Development Strategic Plan with various elements relative to promoting economic development. Existing law requires \$2 billion of the funds made available pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters at the November 7, 2006, statewide general election, to be allocated by the California Transportation Commission for trade corridor improvement projects in consultation with the Goods Movement Action Plan prepared by the Business, Transportation and Housing Agency and the California Environmental Protection Agency.

This bill would require the Secretary of Business, Transportation and Housing, the Secretary of Labor and Workforce Development, and the Department of Agriculture, in support of the preparation of the

California Economic Development Strategic Plan and in support of the updating of the California Transportation Plan, ~~to establish an advisory committee, or to use an existing advisory body, as specified, to assist in~~ *through the California Small Business Board within the Business, Transportation and Housing Agency, to perform* an assessment of shipping needs and practices of small businesses and microenterprises, and to prepare a report to be submitted to the Governor and the Legislature by January 1, 2009, containing various assessments and recommendations in that regard. The bill would require updates to the California Transportation Plan to take into account these findings and recommendations. The bill would also require the Secretary of Labor and Workforce Development, in leading the preparation of the California Economic Development Strategic Plan, to consider incorporating in the plan those findings and recommendations, among others, ~~and to review the recommendations made by the advisory committee.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Small businesses and microenterprises form the core of
- 4 California’s \$1.4 trillion economy. They comprise more than 90
- 5 percent of all businesses and are responsible for employing more
- 6 than 50 percent of all workers in the state, and account for nearly
- 7 64 percent of all new employment growth. Small businesses and
- 8 microenterprises are a major engine driving California economy
- 9 and economic development.
- 10 (b) The Business, Transportation and Housing Agency and the
- 11 California Environmental Protection Agency have prepared a
- 12 statewide Goods Movement Action Plan to guide the allocation
- 13 of \$3.1 billion from the Highway Safety, Traffic Reduction, Air
- 14 Quality, and Port Security Bond Act of 2006 (Chapter 12.49
- 15 (commencing with Section 8879.20) of Division 1 of Title 2 of
- 16 the Government Code). The Goods Movement Action Plan
- 17 identifies solutions among California’s goods movement corridors
- 18 to reduce congestion and accommodate the expansion of trade
- 19 between this state and the rest of the world, and was developed to
- 20 promote economic growth, encourage the creation of new

1 high-paying jobs, and address environmental challenges posed by
2 goods movement activities.

3 (c) The Department of Transportation, pursuant to Section 65072
4 of the Government Code, periodically updates the California
5 Transportation Plan, which contains goods movement strategies.

6 (d) In recognition of the important contribution that small
7 businesses and microenterprises make to California's economy
8 and economic development, it is in the state's best interest to assess
9 both the goods movement needs of those entities and the role they
10 play in goods movement activities within the context of the Goods
11 Movement Action Plan's proposals.

12 (e) It is the intent of the Legislature that the Secretary of
13 Business, Transportation and Housing, the Secretary of Labor and
14 Workforce Development, and the Department of Agriculture report
15 on the needs and opportunities of small businesses and
16 microenterprises in goods movement for the purpose of maintaining
17 the vitality of these entities, supporting state and regional economic
18 development, enhancing the Goods Movement Action Plan,
19 updating the California Transportation Plan, and assisting the
20 process of making decisions regarding the allocation of funds from
21 the Highway Safety, Traffic Reduction, Air Quality, and Port
22 Security Fund of 2006.

23 SEC. 2. Section 15570 of the Government Code is amended
24 to read:

25 15570. (a) The secretary shall lead the preparation of a biennial
26 California Economic Development Strategic Plan. In fulfilling this
27 duty, the secretary shall do the following:

28 (1) Review the recommendations made by the California
29 Economic Strategy Panel in their biennial economic development
30 strategic plan document. This document shall make
31 recommendations regarding an economic development strategic
32 plan for the state, covering a two-year time period and containing
33 a statement of economic goals for the state, a prioritized list
34 identifying significant issues learned from economic development
35 strategic plan panel meetings, proposals for legislation, regulations,
36 and administrative reforms necessary to improve the business
37 climate and economy of the state, evaluation of the effectiveness
38 of the state's economic development programs, a list of key
39 industries in which the state shall focus its economic development
40 efforts, and strategies to foster job growth and economic

1 development covering all state agencies, offices, boards, and
2 commissions that have economic development responsibilities.

3 (2) Convene a biennial economic strategy panel to provide
4 recommendations regarding a California economic development
5 strategic plan. This panel shall conduct meetings in Sacramento,
6 all cities of the state with populations over 500,000, and in major
7 cities of other regions of California as designated by the secretary.
8 The secretary shall invite businesses, labor unions, organizations
9 representing the interests of diverse ethnic and gender groups,
10 local government leaders, academic economists and business
11 professors, chambers of commerce and other business
12 organizations, government agencies, and key industries to
13 contribute to the preparation of the recommended economic
14 strategy. These meetings shall address at least the following matters
15 of concern:

16 (A) Strengths and weaknesses of the California economy and
17 the state's prospects for future economic prosperity.

18 (B) Emerging and declining industries in California and
19 elsewhere.

20 (C) Effectiveness of California's economic development
21 programs in creating and retaining jobs and attracting industries.

22 (D) Adequacy of state and local physical and economic
23 infrastructure.

24 (E) Government impediments to economic development.

25 (F) The development of a system of accountability for use in
26 the annual state budget process and in the legislative process to
27 measure the performance of all state policies, programs, and tax
28 expenditures intended to stimulate the economy. In developing a
29 system of accountability, the panel shall, by using only existing
30 resources and without future budget augmentation made for this
31 purpose, do all of the following:

32 (i) Develop a standard definition of economic development.

33 (ii) Develop, for use in state law, standard measurements of real
34 per capita income, job growth, new business creation, private sector
35 investment, minority entrepreneurship, and income inequality.

36 (iii) Survey and evaluate efforts in other states to develop
37 accountability measures for public investments in economic
38 development.

39 (iv) Determine whether a return on investment calculation is
40 feasible for public investments in economic development.

- 1 (v) Conduct a comparative study of various methodologies for
2 preparing the economic development sections of a state budget,
3 including unified functional budget, zero-based budget, and
4 performance-based budget methodologies.
- 5 (vi) Study the feasibility of statutory disclosure requirements
6 on specified publicly funded subsidies to private sector businesses.
- 7 (vii) Submit a report of its findings and recommendations
8 regarding this subparagraph to the Legislature no later than one
9 year after its first meeting after January 1, 2005.
- 10 (3) Review the recommendations made by the ~~advisory~~
11 ~~committee established~~ *California Small Business Board* pursuant
12 to Section 15571 and consider incorporating, in the biennial plan
13 required by this section, the findings and recommendations made
14 in the Goods Movement Action Plan and the findings and
15 recommendations made by the secretary, the Secretary of Business,
16 Transportation and Housing, and the Department of Agriculture
17 pursuant to Section 15571.
- 18 (b) The panel shall be composed of the following 15 members:
- 19 (1) The Secretary of Labor and Workforce Development, who
20 shall serve as chair of the panel.
- 21 (2) Eight persons appointed by the Governor.
- 22 (3) The Speaker of the Assembly or his or her designee.
- 23 (4) The President pro Tempore of the Senate or his or her
24 designee.
- 25 (5) The Minority Leader of the Assembly or his or her designee.
- 26 (6) The Minority Leader of the Senate or his or her designee.
- 27 (7) One person appointed by the Speaker of the Assembly.
- 28 (8) One person appointed by the Senate Committee on Rules.
- 29 (c) The panel shall be representative of state government,
30 business, labor, finance, and academic institutions, and shall be
31 broadly reflective of the state's population as to gender, ethnicity,
32 and geographic residence within California.
- 33 At least one-half of all the persons on the panel shall be from
34 the private sector and at least two appointments shall be from
35 private businesses with less than 50 employees. At least two
36 appointments shall be from rural areas of the state. Beginning
37 January 1, 2004, appointments to the panel shall be for four-year
38 terms, except that the Governor's appointments made pursuant to
39 paragraph (2) of subdivision (b) shall be made as follows:

1 (1) Four members shall be appointed on January 1, 2004, and
2 every four years thereafter.

3 (2) Four members shall be appointed on January 1, 2004, for a
4 two-year term.

5 (3) Upon the expiration of the initial appointments made
6 pursuant to paragraph (2), four members shall be appointed on
7 January 1, 2006, and every four years thereafter.

8 (d) The secretary shall deliver copies of the economic strategy
9 panel's recommended California economic development strategic
10 plan to every constitutional officer, legislator, member of the
11 Governor's cabinet, members of the economic development
12 strategic plan panel, and every state agency, office, board, and
13 commission having economic development responsibilities.

14 (e) In each succeeding two-year cycle, the secretary shall
15 undertake this process anew, so as to update the economic strategy
16 on or before October 31 of each succeeding second year.

17 SEC. 3. Section 15571 is added to the Government Code, to
18 read:

19 15571. (a) The Secretary of Business, Transportation and
20 Housing, the Secretary of Labor and Workforce Development, and
21 the Department of Agriculture, in support of the preparation of the
22 California Economic Development Strategic Plan, pursuant to
23 Section 15570, and in support of the updating of the California
24 Transportation Plan prepared pursuant to Section 65072, shall do
25 ~~all both~~ of the following *through the California Small Business*
26 *Board within the Business, Transportation and Housing Agency:*

27 ~~(1) Establish an advisory committee to assist in an assessment~~
28 ~~of shipping needs and practices of small businesses and~~
29 ~~microenterprises in this state. Membership on the advisory~~
30 ~~committee shall be representative of the nine geographic regions~~
31 ~~identified in the Regional Economies Project on Small Businesses,~~
32 ~~Microenterprises, and Emerging Industries. Advisory committee~~
33 ~~members shall include, but need not be limited to, the following:~~

34 ~~(A) Representatives of small businesses and microenterprises~~
35 ~~that ship goods as a regular part of their manufacturing, fabrication,~~
36 ~~or other activities.~~

37 ~~(B) Representatives of small businesses and microenterprises~~
38 ~~that are solely involved in goods shipment logistics.~~

39 ~~(C) The Director of Transportation or his or her designee.~~

40 ~~(D) The Director of the Office of Small Business Advocate.~~

- 1 ~~(E) A representative of the California Workforce Investment~~
- 2 ~~Board.~~
- 3 ~~(F) A small business representative of the California Economic~~
- 4 ~~Strategies Panel.~~
- 5 ~~(2)~~
- 6 (1) Perform an assessment of all of the following:
- 7 (A) The extent to which the proposals recommended by the
- 8 Goods Movement Action Plan adequately accommodate the goods
- 9 movement needs of small businesses and microenterprises on a
- 10 statewide and regional basis.
- 11 (B) The extent to which the goods movement strategies in the
- 12 California Transportation Plan consider the goods movement needs
- 13 of small businesses and microenterprises.
- 14 (C) Additional proposals that may need to be incorporated in
- 15 the Goods Movement Action Plan and the California Transportation
- 16 Plan to address the goods movement needs of small businesses
- 17 and microenterprises on a statewide and regional basis.
- 18 (D) Statewide and regional opportunities for small businesses
- 19 and microenterprises to participate in the state’s goods movement
- 20 logistics sector, including a review of how these entities may assist
- 21 in the implementation of environmental justice policies of goods
- 22 movement.
- 23 ~~(3)~~
- 24 (2) Report on all of the following:
- 25 (A) The characteristics of goods movement practices of small
- 26 businesses and microenterprises.
- 27 (B) The priority goods movement needs of small businesses
- 28 and microenterprises.
- 29 (C) The ways in which small businesses and microenterprises
- 30 participate in the goods movement logistics industry.
- 31 (D) The ways and extent to which California’s goods movement
- 32 industry currently accommodates the goods movement needs of
- 33 small businesses and microenterprises.
- 34 (E) The extent to which the proposals in the Goods Movement
- 35 Action Plan will assist and benefit small businesses and
- 36 microenterprises in this state.
- 37 (F) Recommendations for additional measures that can be
- 38 incorporated into the Goods Movement Action Plan to improve
- 39 the competitive position and vitality of this state’s small businesses
- 40 and microenterprises.

1 (G) Recommendations on how state economic development
2 programs, in order to help to implement the proposals contained
3 in the Goods Movement Action Plan, can promote the participation
4 of small businesses and microenterprises in goods movement
5 activities.

6 (b) The report prepared pursuant to this section shall be
7 submitted on or before January 1, 2009, to the Governor, and to
8 the Secretary of the Senate and the Chief Clerk of the Assembly
9 for distribution to the relevant policy and fiscal committees.

10 ~~(e) Instead of appointing an advisory committee pursuant to~~
11 ~~subdivision (a), the Secretary of Business, Transportation and~~
12 ~~Housing, the Secretary of Labor and Workforce Development, and~~
13 ~~the Director of the Department of Food and Agriculture may use~~
14 ~~an existing advisory body serving one or more of those~~
15 ~~organizations, provided that the advisory body consists of a~~
16 ~~diversity of members similar to the diversity provided for in~~
17 ~~paragraph (1) of subdivision (a):~~

18 SEC. 4. Section 65072 of the Government Code is amended
19 to read:

20 65072. The California Transportation Plan shall include all of
21 the following:

22 (a) A policy element that describes the state’s transportation
23 policies and system performance objectives. These policies and
24 objectives shall be consistent with legislative intent described in
25 Sections 14000, 14000.5, and 65088.

26 (b) A strategies element that shall incorporate the broad system
27 concepts and strategies synthesized from the adopted regional
28 transportation plans prepared pursuant to Section 65080. The
29 California Transportation Plan shall not be project specific.

30 (c) A recommendations element that includes economic forecasts
31 and recommendations to the Legislature and the Governor to
32 achieve the plan’s broad system concepts, strategies, and
33 performance objectives.

34 (d) Updates to the California Transportation Plan shall take into
35 account findings and recommendations made by the Secretary of
36 Business, Transportation and Housing, the Secretary of Labor and
37 Workforce Development, and the Department of Agriculture
38 pursuant to Section 15571.

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