

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2287

Introduced by Assembly Member Bass

February 18, 2010

~~An act to amend Section 15570 of the Government Code, relating to economic development. An act to add Chapter 1.6 (commencing with Section 12096) to Part 2 of Division 3 of Title 2 of the Government Code, relating to economic development.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2287, as amended, Bass. ~~California Economic Development Strategic Plan: economic strategy panel. Office of Economic Development: California Business Investment Services Program.~~

Existing law provides for various state programs and services for the purpose of attracting and retaining businesses in this state. Existing law creates the Office of Small Business Advocate in the Office of Planning and Research in the Governor's office.

This bill would create the Office of Economic Development in the Governor's office, to be directed by a secretary appointed by the Governor. The bill would create the California Business Investment Services Program, as specified, within the Office of Economic Development, under the authority of the secretary, for the purpose of serving employers, corporate executives, business owners, and site location consultants who are considering California for business investment and expansion.

~~Existing law requires the Secretary of Labor and Workforce Development to convene an economic strategy panel, with a prescribed~~

membership, to develop a California Economic Development Strategic Plan that addresses prescribed issues relating to economic development.

~~This bill would make a technical, nonsubstantive change to these provisions:~~

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

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

1 *CHAPTER 1.6. OFFICE OF ECONOMIC DEVELOPMENT*

2
3 *Article 1. General*

4
5 12096. (a) *The Office of Economic Development is hereby*
6 *established in state government within the Governor’s office. The*
7 *office shall be under the direct control of a secretary, who shall*
8 *be responsible to the Governor.*

9 (b) *The Governor shall appoint the Secretary of the Office of*
10 *Economic Development, subject to confirmation by the Senate,*
11 *who shall perform all duties, exercise all powers, assume and*
12 *discharge all responsibilities, and carry out and effect all purposes*
13 *vested by law in the office, including contracting for professional*
14 *or consultant services in connection with the work of the office.*

15 (c) *The salary of the Secretary of the Office of Economic*
16 *Development shall be fixed pursuant to Section 12001.*

17
18 *Article 2. California Business Investment Services Program*

19
20 12096.5. (a) *The California Business Investment Services*
21 *Program is hereby created within the Office of Economic*
22 *Development.*

23 (b) *The program shall be under the direct authority of the*
24 *secretary.*

25 (c) *The purpose of the program is to serve employers, corporate*
26 *executives, business owners, and site location consultants who are*
27 *considering California for business investment and expansion.*
28 *Among other things, the program shall provide:*

29 (1) *Economic and demographic data.*

30 (2) *Financial information to help link businesses with state and*
31 *local public and private programs.*

1 (3) Workforce information including labor availability, training,
2 and education programs.

3 (4) Transportation and infrastructure information.

4 (5) Assistance in obtaining state and local permits.

5 (6) Information on tax credits and other incentives.

6 (7) Permitting, siting, and other regulatory information pertinent
7 to business operations in California.

8 (d) The program shall have a well-advertised telephone number,
9 an interactive Internet Web site, and an administrative structure
10 that effectively supports the facilitation of business development
11 and investment in the state.

12 (e) In implementing the program, the secretary shall establish
13 and implement a process for convening strike teams on key business
14 development situations, including, but not limited to, attracting
15 new businesses, relocation of large manufacturers, or the closure
16 of a large business employer.

17 (f) In implementing the program, the secretary shall work
18 cooperatively with local, regional, federal, and other state public
19 and private marketing institutions and trade organizations in
20 attracting, retaining, and helping businesses to grow and be
21 successful in California.

22 SECTION 1. ~~Section 15570 of the Government Code is~~
23 ~~amended to read:~~

24 ~~15570. (a) The secretary shall lead the preparation of a biennial~~
25 ~~California Economic Development Strategic Plan. In fulfilling this~~
26 ~~duty, the secretary shall do the following:~~

27 ~~(1) Review the recommendations made by the California~~
28 ~~Economic Strategy Panel in their biennial economic development~~
29 ~~strategic plan document. This document shall make~~
30 ~~recommendations regarding an economic development strategic~~
31 ~~plan for the state, covering a two-year time period and containing~~
32 ~~a statement of economic goals for the state, a prioritized list~~
33 ~~identifying significant issues learned from economic development~~
34 ~~strategic plan panel meetings, proposals for legislation, regulations,~~
35 ~~and administrative reforms necessary to improve the business~~
36 ~~climate and economy of the state, evaluation of the effectiveness~~
37 ~~of the state's economic development programs, a list of key~~
38 ~~industries in which the state shall focus its economic development~~
39 ~~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. The 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 ~~(b) The panel shall be composed of the following 15 members:~~

11 ~~(1) The Secretary of Labor and Workforce Development, who~~
12 ~~shall serve as chair of the panel.~~

13 ~~(2) Eight persons appointed by the Governor.~~

14 ~~(3) The Speaker of the Assembly or his or her designee.~~

15 ~~(4) The President pro Tempore of the Senate or his or her~~
16 ~~designee.~~

17 ~~(5) The Minority Leader of the Assembly or his or her designee.~~

18 ~~(6) The Minority Leader of the Senate or his or her designee.~~

19 ~~(7) One person appointed by the Speaker of the Assembly.~~

20 ~~(8) One person appointed by the Senate Committee on Rules.~~

21 ~~(c) The panel shall be representative of state government,~~
22 ~~business, labor, finance, and academic institutions, and shall be~~
23 ~~broadly reflective of the state's population as to gender, ethnicity,~~
24 ~~and geographic residence within California.~~

25 ~~At least one-half of all the persons on the panel shall be from~~
26 ~~the private sector and at least two appointments shall be from~~
27 ~~private businesses with less than 50 employees. At least two~~
28 ~~appointments shall be from rural areas of the state. Beginning~~
29 ~~January 1, 2004, appointments to the panel shall be for four-year~~
30 ~~terms, except that the Governor's appointments made pursuant to~~
31 ~~paragraph (2) of subdivision (b) shall be made as follows:~~

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

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

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

39 ~~(d) The secretary shall deliver copies of the economic strategy~~
40 ~~panel's recommended California economic development strategie~~

1 ~~plan to every constitutional officer, legislator, member of the~~
2 ~~Governor's cabinet, members of the economic development~~
3 ~~strategic plan panel, and every state agency, office, board, and~~
4 ~~commission having economic development responsibilities.~~

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