

AMENDED IN SENATE MARCH 23, 2010

**SENATE BILL**

**No. 1259**

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**Introduced by Senator DeSaulnier**

February 19, 2010

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An act to ~~amend Section 51 of the Labor Code, relating to employment~~ *add Chapter 2 (commencing with Section 15910) to Part 12 of Division 3 of the Government Code, relating to state government.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1259, as amended, DeSaulnier. ~~Director of Industrial Relations.~~ *State government: Economic Development and Job Creation Agency.*

*Existing law requires various state entities to perform various duties relating to economic development and job creation.*

*This bill would create the Economic Development and Job Creation Agency in state government, and would require that the Secretary of Economic Development and Job Creation serve as the executive officer of the agency. The bill would provide for the appointment of the secretary, as specified, and would specify that the secretary serves at the pleasure of the Governor. This bill would require the secretary to develop a reorganization plan and to propose a structure for the agency, and would also require the agency to perform specified duties relating to economic development and job creation.*

~~Existing law provides that the Department of Industrial Relations be headed by a director appointed by the Governor, with the advice and consent of the Senate, serving at the pleasure of the Governor.~~

~~This bill would make nonsubstantive changes to this provision.~~

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     *SECTION 1. (a) The Legislature finds and declares all of the*  
2 *following:*

3     *(1) California is facing unprecedented economic hardship.*  
4 *Hundreds of thousands of jobs have disappeared, millions of homes*  
5 *are at risk of foreclosure, and state services have suffered*  
6 *devastating cuts.*

7     *(2) California currently has one of the highest unemployment*  
8 *rates in the country at 12.3 percent.*

9     *(3) In November of 2009, over 2 million Californians were*  
10 *looking for work. Close to a million more Californians were*  
11 *looking for work in 2009 compared to November of 2008.*

12     *(4) The number of persons not in the labor force but who desire*  
13 *a job has increased by 34.7 percent since November of 2008.*  
14 *Part-time workers who want full-time employment increased by*  
15 *66 percent.*

16     *(5) Thirty-four percent of unemployed Californians have been*  
17 *looking for work for over six months (27 weeks). The number of*  
18 *people unemployed 27 weeks or more has increased by 170.4*  
19 *percent since November of 2008.*

20     *(6) California lost 952,800 jobs over the last two years (from*  
21 *July 2007 to July 2009) and the state is projected to lose over a*  
22 *million jobs by 2013. The construction industry has been*  
23 *particularly hard hit, with employment down by 29 percent since*  
24 *2007. The manufacturing industry has seen the loss of 600,000*  
25 *jobs since 2001, \$75 billion a year in lost wages and \$5 billion*  
26 *annually in lost tax revenue.*

27     *(7) Studies have found that California lacks a comprehensive*  
28 *long-term strategy to facilitate its future competitiveness in the*  
29 *global marketplace.*

30     *(8) The best way to grow our economy and our state's revenue*  
31 *base is to spur economic development and create jobs.*

32     *(9) California lacks a common-sense, efficient, single point of*  
33 *entry for employers to access state services and benefits relating*  
34 *to economic development and job creation.*

35     *(10) Currently, there are nearly 100 agencies, departments,*  
36 *commissions, and task forces scattered throughout state*  
37 *government with duties relating to job creation.*

1 (11) This type of dispersal of resources leads to inefficiencies,  
2 confusion, and lack of accountability for the business enterprises  
3 that seek state services and assistance in opening, expanding, or  
4 maintaining their businesses.

5 (b) It is the intent of the Legislature that the Economic  
6 Development and Job Creation Agency provide a single portal for  
7 economic development and job creation in California.

8 SEC. 2. Chapter 2 (commencing with Section 15910) is added  
9 to Part 12 of Division 3 of the Government Code, to read:

10  
11 CHAPTER 2. ECONOMIC DEVELOPMENT AND JOB CREATION  
12 AGENCY  
13

14 15910. (a) There is hereby created in state government the  
15 Economic Development and Job Creation Agency.

16 (b) The Secretary of Economic Development and Job Creation  
17 shall serve as the executive officer of the agency, shall be appointed  
18 by the Governor, subject to confirmation by the Senate, and shall  
19 hold office at the pleasure of the Governor.

20 (c) The secretary shall develop a reorganization plan and  
21 propose a structure for the agency that enables it to perform all  
22 of the duties listed in subdivision (d). This plan shall be based on  
23 stakeholder input, including, but not limited to, labor and  
24 management participants.

25 (d) The agency shall do all of the following:

26 (1) Develop a statewide strategy that identifies the state's goals  
27 and objectives for job creation and specify performance measures  
28 to assess the state's progress towards attaining those goals and  
29 objectives.

30 (2) Ensure that there is a cabinet-level official within the  
31 Governor's administration responsible for presenting and  
32 addressing economic development and job creation issues.

33 (3) Create a clearinghouse of accurate data on the state's  
34 economic development activities and their effectiveness.

35 (4) Simplify, strengthen, and improve the operation and  
36 management of economic development programs that provide  
37 services to California's workers and employers.

38 (5) Eliminate duplicative duties, achieve cost efficiencies, and  
39 promote accountability for the attainment of economic development  
40 goals and objectives.

1 (6) Allow the state to marshal all of its resources to  
2 systematically target new industries to site within the state.

3 (7) Build on our state’s educational, workforce, and geographic  
4 assets to seed innovation.

5 (8) Attract new and sustainable industries that will create  
6 high-wage, middle-class jobs.

7 (9) Provide a better understanding of federal and state laws  
8 that protect workers.

9 SECTION 1. ~~Section 51 of the Labor Code is amended to read:~~

10 ~~51. The department shall be conducted under the control of an~~  
11 ~~executive officer known as the Director of Industrial Relations.~~  
12 ~~The director shall be appointed by the Governor with the advice~~  
13 ~~and consent of the Senate and hold office at the pleasure of the~~  
14 ~~Governor and shall receive an annual salary provided for by~~  
15 ~~Chapter 6 (commencing with Section 11550) of Part 1 of Division~~  
16 ~~3 of Title 2 of the Government Code.~~