

AMENDED IN SENATE JUNE 8, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 119**

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**Introduced by Committee on Budget (Blumenfield (Chair), Alejo, Allen, Brownley, Buchanan, Butler, Cedillo, Chesbro, Dickinson, Feuer, Gordon, Huffman, Mitchell, Monning, and Swanson)**

January 10, 2011

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*An act relating to the Budget Act of 2011. An act to amend Sections 965, 11545, 12432, 12803.6, 12803.65, 13996.45, 13996.55, 13996.6, 56425, and 63000 of, and to repeal Sections 12803.7, 13996.5, and 15570 of, the Government Code, to amend Section 1348.9 of the Health and Safety Code, and to amend Sections 1275, 10205, 10529, 14012, and 15001 of the Unemployment Insurance Code, relating to state government, making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 119, as amended, Committee on Budget. ~~Budget Act of 2011.~~  
*State government.*

*(1) Existing law requires any claim for money or damages against the state to be presented to the California Victim Compensation and Government Claims Board within a specified period of time. Existing law requires the board to provide notice to the chairpersons of the committees in each house of the Legislature that consider appropriations and the annual budget act, and the chairperson of the Joint Legislative Budget Committee, within a specified period of time prior to allowing either the use of a current year appropriation to pay claims for prior year costs of \$500,000 or more, or claims from a single provider of*

*goods or services with respect to a single department that exceed \$500,000 within one year.*

*This bill would delete the requirement that the board provide notice to the chairpersons of the committees in each house of the Legislature that consider appropriations and the annual budget act, and the chairperson of the Joint Legislative Budget Committee, prior to allowing either the use of a current year appropriation to pay claims for prior year costs of \$500,000 or more, or claims from a single provider of goods or services with respect to a single department that exceed \$500,000 within one year.*

*(2) Existing law establishes the California Technology Agency within state government, and requires the office to carry out specified duties relating to creating and managing the technology policy of the state. Existing law requires the agency to submit an annual information technology performance report to the Joint Legislative Budget Committee.*

*This bill would modify the requirements of that report.*

*Existing law requires the agency to submit an information technology performance management framework to the Joint Legislative Budget Committee by May 15, 2009, and to notify the Legislature if the agency modifies that framework.*

*This bill would modify the requirements of that framework.*

*Existing law requires the agency to submit to the Director of Finance an annual report that contains specified requirements.*

*This bill would modify the requirements of that report, and require that the agency also submit a copy of that report to specified committees of the Legislature.*

*Existing law establishes the Technology Services Revolving Fund, to pay, upon appropriation by the Legislature, the agency's costs in carrying out its duties.*

*This bill would appropriate \$1,000 from the fund to the agency for administrative costs.*

*(3) Existing law authorizes the Controller to administer the effort to replace the current automated human resource/payroll systems that the Controller operates, known as the 21st Century Project. Existing law authorizes the Controller to assess certain funds, as specified, in amounts sufficient to pay the costs of the 21st Century Project. Existing law repeals these provisions on June 30, 2011.*

*This bill would make technical changes and additionally extend the repeal date 3 years to June 30, 2014.*

(4) Existing law requires the Labor and Workforce Development Agency, in collaboration with the California Health and Human Services Agency, to develop a sustainable and comprehensive strategy relating to the employment-related needs of individuals with disabilities, including bringing adults with disabilities into gainful employment, as specified. Existing law also requires the Labor and Workforce Development Agency to monitor and enforce the implementation of provisions of the federal Workforce Investment Act of 1998 that relate to discrimination based on disability, among other things.

This bill would, commencing January 1, 2012, require that the sustainable and comprehensive strategy bring all individuals with disabilities, instead of only adults with disabilities, into gainful employment.

This bill would, commencing January 1, 2012, repeal various outdated reporting requirements that relate to the federal Workforce Investment Act of 1998.

(5) Existing law requires the Governor to establish a California Governor's Committee on Employment of People with Disabilities within the Labor and Workforce Development Agency which has a prescribed membership. The committee has prescribed duties, including making grants available to counties and local workforce investment boards for specified purposes relating to employment for individuals with disabilities.

This bill would, commencing January 1, 2012, rename the California Governor's Committee on Employment of People with Disabilities as the California Committee on Employment of People with Disabilities and would establish the committee within the Department of Rehabilitation. This bill would revise the membership of the committee, as specified. The bill would revise the duties of the committee to, among other things, require the committee to, coordinate an annual event for youth with disabilities, as specified, repeal annual reporting requirements, and repeal the grant program.

(6) Existing law requires the Secretary of Labor and Workforce Development to lead the preparation of a biennial California Economic Development Strategic Plan, as specified, and to convene a biennial economic strategy panel, with a prescribed membership, to provide recommendations regarding the plan.

Existing law requires the Secretary of Business, Transportation and Housing to complete a study on the potential roles of the state in global markets, as prescribed.

*This bill would, commencing January 1, 2012, repeal these provisions and make conforming changes.*

*(7) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency formation commission to develop and determine the sphere of influence of each local governmental agency within the county and periodically review and update the adopted sphere of influence. Existing law requires a commission when adopting, amending, or updating a sphere of influence for a special district to establish the extent of any functions or classes provided by existing districts, and to require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.*

*This bill would, instead, authorize a commission to require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.*

*(8) Existing law, until January 1, 2012, authorizes the Director of the Department of Managed Health Care to establish, by regulation, the Consumer Participation Program, which allows the director to award reasonable advocacy and witness fees to any person or organization that represents consumers and has made a substantial contribution on behalf of consumers to the adoption of a regulation or with regard to an order or decision impacting a significant number of enrollees.*

*This bill would extend the authority to operate the Consumer Participation Program until January 1, 2018.*

*(9) Existing law provides for unemployment compensation benefits for eligible individuals in the state who are unemployed through no fault of their own. Existing law, for new claims filed on or after a specified date, but no later than September 3, 2011, for which a valid claim or benefit year cannot be established under the currently defined base periods, establishes alternate base periods, as provided. Existing law also requires the department to implement the technical changes necessary to establish claims under the alternate base period, as specified, as soon as possible, but no later than September 3, 2011.*

*This bill would extend to April 2, 2012, the time period within which the department is required to implement those changes related to the establishment of unemployment compensation benefit claims under the alternate base period program and to implement the necessary technical changes.*

(10) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2011.

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

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

1 SECTION 1. Section 965 of the Government Code is amended  
2 to read:

3 965. (a) Upon the allowance by the California Victim  
4 Compensation and Government Claims Board of all or part of a  
5 claim for which the Director of Finance certifies that a sufficient  
6 appropriation for the payment of the claim exists, and the execution  
7 and presentation of documents the board may require which  
8 discharge the state of all liability under the claim, the board shall  
9 designate the fund from which the claim is to be paid and the state  
10 agency concerned shall pay the claim from that fund. ~~The board~~  
11 ~~shall provide notice to the chairpersons of the committees in each~~  
12 ~~house of the Legislature that consider appropriations and the annual~~  
13 ~~Budget Act, and the Chairperson of the Joint Legislative Budget~~  
14 ~~Committee, at least 15 days, or a shorter period as the chairperson~~  
15 ~~of the joint committee, or his or her designee, may in each instance~~  
16 ~~require, prior to allowing either the use of a current year~~  
17 ~~appropriation to pay claims for prior year costs of five hundred~~  
18 ~~thousand dollars (\$500,000) or more, or claims from a single~~  
19 ~~provider of goods or services with respect to a single department~~  
20 ~~that exceeds five hundred thousand dollars (\$500,000) within one~~  
21 ~~year.~~ If there is no sufficient appropriation for the payment  
22 available, the board shall report to the Legislature in accordance  
23 with Section 912.8. Claims arising out of the activities of the State  
24 Department of Transportation may be paid if either the Director  
25 of Transportation or the Director of Finance certifies that a  
26 sufficient appropriation for the payment of the claim exists.

27 (b) Notwithstanding subdivision (a), if there is no sufficient  
28 appropriation for the payment of claims, settlements, or judgments  
29 against the state arising from an action in which the state is  
30 represented by the Attorney General, the Attorney General shall  
31 report the claims, settlements, and judgments to the Chairperson

1 of either the Senate Committee on Appropriations or the Assembly  
2 Committee on Budget, who shall cause to be introduced legislation  
3 appropriating funds for the payment of the claims, settlements, or  
4 judgments.

5 (c) Notwithstanding subdivision (a) or (b), claims, settlements,  
6 or judgments arising out of the activities of a judicial branch entity,  
7 as defined by Sections 900.3 and 940.3, or a judge thereof may be  
8 paid if the Judicial Council authorizes payment and the  
9 Administrative Director of the Courts certifies that sufficient funds  
10 for that payment exist from funds allocated to settlement,  
11 adjustment, and compromise of actions and claims. If sufficient  
12 funds for payment of settlements or judgments do not exist, the  
13 Administrative Director of the Courts shall report the settlements  
14 and judgments to the Chairperson of either the Senate Committee  
15 on Appropriations or the Assembly Committee on Budget, who  
16 shall cause to be introduced legislation appropriating funds for the  
17 payment of the settlements or judgments. If sufficient funds for  
18 payment of claims do not exist, the Administrative Director of the  
19 Courts shall report the claims to the California Victim  
20 Compensation and Government Claims Board, which shall have  
21 90 days to object to payment. The Administrative Director of the  
22 Courts shall confer with the chairperson of the California Victim  
23 Compensation and Government Claims Board regarding any  
24 objection received during the 90-day period. If the California  
25 Victim Compensation and Government Claims Board withdraws  
26 the objection, or if no objection was received, the Administrative  
27 Director of the Courts shall report the claims to the Chairperson  
28 of either the Senate Committee on Appropriations or the Assembly  
29 Committee on the Budget, who shall cause to be introduced  
30 legislation appropriating funds for the payment of the claims. The  
31 Judicial Council may authorize any committee of the Judicial  
32 Council or any employee of the Administrative Office of the Courts  
33 to perform the functions of the Judicial Council under this section.  
34 The Administrative Director of the Courts may designate an  
35 executive staff member of the Administrative Office of the Courts  
36 to perform the functions of the Administrative Director of the  
37 Courts under this section.

38 *SEC. 2. Section 11545 of the Government Code is amended to*  
39 *read:*

1 11545. (a) (1) There is in state government the California  
2 Technology Agency. The Secretary of California Technology shall  
3 be appointed by, and serve at the pleasure of, the Governor, subject  
4 to Senate confirmation. The Secretary of California Technology  
5 shall supervise the California Technology Agency and be a member  
6 of the Governor’s cabinet.

7 (2) Unless the context clearly requires otherwise, whenever the  
8 term “office of the State Chief Information Officer” appears in  
9 any statute, regulation, or contract, it shall be construed to refer to  
10 the California Technology Agency, and whenever the term “State  
11 Chief Information Officer” appears in any statute, regulation, or  
12 contract, it shall be construed to refer to the Secretary of California  
13 Technology.

14 (b) The duties of the Secretary of California Technology shall  
15 include, but are not limited to, all of the following:

16 (1) Advising the Governor on the strategic management and  
17 direction of the state’s information technology resources.

18 (2) Establishing and enforcing state information technology  
19 strategic plans, policies, standards, and enterprise architecture.  
20 This shall include the periodic review and maintenance of the  
21 information technology sections of the State Administrative  
22 Manual, except for sections on information technology procurement  
23 procedures, and information technology fiscal policy. The Secretary  
24 of California Technology shall consult with the Director of General  
25 Services, the Director of Finance, and other relevant agencies  
26 concerning policies and standards these agencies are responsible  
27 to issue as they relate to information technology.

28 (3) Minimizing overlap, redundancy, and cost in state operations  
29 by promoting the efficient and effective use of information  
30 technology.

31 (4) Providing technology direction to agency and department  
32 chief information officers to ensure the integration of statewide  
33 technology initiatives, compliance with information technology  
34 policies and standards, and the promotion of the alignment and  
35 effective management of information technology services. Nothing  
36 in this paragraph shall be deemed to limit the authority of a  
37 constitutional officer, cabinet agency secretary, or department  
38 director to establish programmatic priorities and business direction  
39 to the respective agency or department chief information officer.

1 (5) Working to improve organizational maturity and capacity  
2 in the effective management of information technology.

3 (6) Establishing performance management and improvement  
4 processes to ensure state information technology systems and  
5 services are efficient and effective.

6 (7) Approving, suspending, terminating, and reinstating  
7 information technology projects.

8 (8) Performing enterprise information technology functions and  
9 services, including, but not limited to, implementing Geographic  
10 Information Systems (GIS), shared services, applications, and  
11 program and project management activities in partnership with the  
12 owning agency or department.

13 (c) The Secretary of California Technology shall produce an  
14 annual information technology strategic plan that shall guide the  
15 acquisition, management, and use of information technology. State  
16 agencies shall cooperate with the agency in the development of  
17 this plan, as required by the Secretary of California Technology.

18 (1) Upon establishment of the information technology strategic  
19 plan, the Secretary of California Technology shall take all  
20 appropriate and necessary steps to implement the plan, subject to  
21 any modifications and adjustments deemed necessary and  
22 reasonable.

23 (2) The information technology strategic plan shall be submitted  
24 to the Joint Legislative Budget Committee by January 15 of every  
25 year.

26 (d) The Secretary of California Technology shall produce an  
27 annual information technology performance report that shall assess  
28 and measure the state's progress toward enhancing information  
29 technology human capital management; reducing and avoiding  
30 costs *and risks* associated with the acquisition, development,  
31 implementation, management, and operation of information  
32 technology assets, infrastructure, and systems; improving energy  
33 efficiency in the use of information technology assets; enhancing  
34 the security, reliability, and quality of information technology  
35 networks, services, and systems; and improving the information  
36 technology procurement process. The agency shall establish those  
37 policies and procedures required to improve the performance of  
38 the state's information technology program.

39 (1) The agency shall submit an information technology  
40 performance management framework to the Joint Legislative

1 Budget Committee by May 15, 2009, accompanied by the most  
2 current baseline data for each performance measure or metric  
3 contained in the framework. The information technology  
4 performance management framework shall include the performance  
5 measures and targets that the agency will utilize to assess the  
6 performance of, *and measure the costs and risks avoided by*, the  
7 state's information technology program. The agency shall provide  
8 notice to the Joint Legislative Budget Committee within 30 days  
9 of making changes to the framework. This notice shall include the  
10 rationale for changes in specific measures or metrics.

11 (2) State agencies shall take all necessary steps to achieve the  
12 targets set forth by the agency and shall report their progress to  
13 the agency on a quarterly basis.

14 (3) ~~The~~ *Notwithstanding Section 10231.5, the* information  
15 technology performance report shall be submitted to the Joint  
16 Legislative Budget Committee by January 15 of every year. To  
17 enhance transparency, the agency shall post performance targets  
18 and progress toward these targets on its public Internet Web site.

19 (4) The agency shall at least annually report to the Director of  
20 Finance cost savings *and avoidances* achieved through  
21 improvements to the way the state acquires, develops, implements,  
22 manages, and operates state technology assets, infrastructure, and  
23 systems. This report shall be submitted in a timeframe determined  
24 by the Department of Finance and shall identify the actual savings  
25 achieved by each office, department, and agency. *Notwithstanding*  
26 *Section 10231.5, the agency shall also, within 30 days, submit a*  
27 *copy of that report to the Joint Legislative Budget Committee, the*  
28 *Senate Committee on Appropriations, the Senate Committee on*  
29 *Budget and Fiscal Review, the Assembly Committee on*  
30 *Appropriations, and the Assembly Committee on Budget.*

31 SEC. 3. *Section 12432 of the Government Code is amended to*  
32 *read:*

33 12432. (a) The Legislature hereby finds and declares that it is  
34 essential for the state to replace the current automated human  
35 resource/payroll systems operated by the Controller to ensure that  
36 state employees continue to be paid accurately and on time and  
37 that the state may take advantage of new capabilities and improved  
38 business practices. To achieve this replacement of the current  
39 systems, the Controller is authorized to procure, modify, and  
40 implement a new human resource management system that meets

1 the needs of a modern state government. This replacement effort  
2 is known as the 21st Century Project.

3 (b) Notwithstanding any other ~~provision of~~ law, beginning with  
4 the 2004–05 fiscal year, the Controller may assess the special and  
5 nongovernmental cost funds in sufficient amounts to pay for the  
6 authorized 21st Century Project costs that are attributable to those  
7 funds. Assessments in support of the expenditures for the 21st  
8 Century Project shall be made quarterly, and the total amount  
9 assessed from these funds annually ~~may~~ shall not exceed the total  
10 expenditures incurred by the Controller for the 21st Century Project  
11 that are attributable to those funds in that fiscal year.  
12 Appropriations for this purpose shall be made in the annual Budget  
13 Act.

14 (c) To the extent permitted by law, beginning with the 2004–05  
15 fiscal year, the Controller shall establish agreements with various  
16 agencies and departments for the collection from federal funds of  
17 costs that are attributable to federal funds. The total amount  
18 collected from those agencies and departments annually ~~may~~ shall  
19 not exceed the total expenditures incurred by the Controller for  
20 the 21st Century Project that are attributable to federal funds in  
21 that fiscal year. Appropriations for that purpose shall be made in  
22 the annual Budget Act.

23 (d) It is the intent of the Legislature that, beginning not earlier  
24 than the 2006–07 fiscal year, future annual Budget Acts include  
25 General Fund appropriations in sufficient amounts for expenditures  
26 for the 21st Century Project that are attributable to the General  
27 Fund. It is the Legislature’s intent that the share of the total project  
28 costs paid for by the General Fund shall be equivalent to the share  
29 of the total project costs paid for from special and nongovernmental  
30 cost fund assessments and collections from federal funds.

31 (e) This section shall remain in effect only until June 30, ~~2011~~  
32 ~~2014~~, and as of that date is repealed, unless a later enacted statute,  
33 that is enacted before June 30, ~~2011~~ 2014, deletes or extends that  
34 date.

35 *SEC. 4. Section 12803.6 of the Government Code is amended*  
36 *to read:*

37 12803.6. (a) The Governor shall authorize the secretary of the  
38 Labor and Workforce Development Agency, in collaboration with  
39 the secretary of the California Health and Human Services Agency,  
40 to make available the expertise of state employees and programs

1 to support the employment-related needs of individuals with  
2 disabilities. Using existing resources, the agencies shall develop  
3 a sustainable, comprehensive strategy to do all of the following:

4 (1) Bring ~~adults~~ *individuals* with disabilities into gainful  
5 employment at a rate that is as close as possible to that of the  
6 general ~~adult~~ population.

7 (2) Support the goals of equality of opportunity, full  
8 participation, independent living, and economic self-sufficiency  
9 for these individuals.

10 (3) Ensure that state government is a model employer of  
11 individuals with disabilities.

12 (4) Support state coordination with, and participation in, benefits  
13 planning training and information dissemination projects supported  
14 by private foundations and federal grants.

15 (b) ~~(1)~~ The Labor and Workforce Development Agency shall  
16 monitor and enforce implementation of Section 188 of the federal  
17 Workforce Investment Act of 1998 (29 U.S.C. Sec. 2938), ~~and~~  
18 ~~shall require local workforce investment boards to report as~~  
19 ~~follows:~~

20 (A) ~~By July 1, 2003, each local workforce investment board~~  
21 ~~shall report to the Labor and Workforce Development Agency or~~  
22 ~~its designated department on the steps it has taken to ensure~~  
23 ~~compliance with Section 188 of the federal Workforce Investment~~  
24 ~~Act of 1998 (29 U.S.C. Sec. 2938), in regard to the provisions as~~  
25 ~~they apply to persons with disabilities.~~

26 (B) ~~By October 31, 2003, each local workforce investment board~~  
27 ~~that chooses to participate in the federal Ticket to Work and~~  
28 ~~Self-Sufficiency program shall report to the California Workforce~~  
29 ~~Investment Board on its readiness to meet the eligibility standards~~  
30 ~~to serve as an employment network under the federal Ticket to~~  
31 ~~Work and Self-Sufficiency program (Section 1148(f), Part A, Title~~  
32 ~~XI of the Social Security Act, 42 U.S.C. Section 1320b-19).~~

33 (2) ~~The Labor and Workforce Development Agency shall report~~  
34 ~~its findings, based on the reports described in subparagraph (A)~~  
35 ~~of paragraph (1), to the Governor and the Legislature.~~

36 *SEC. 5. Section 12803.65 of the Government Code is amended*  
37 *to read:*

38 12803.65. (a) The Governor shall rename and establish, in the  
39 Labor and Workforce Development Agency, the existing California  
40 Governor's Committee on Employment of Disabled Persons as

1 ~~the California Health and Human Services Agency, Department~~  
 2 ~~of Rehabilitation, the existing “California Governor’s Committee~~  
 3 ~~on Employment of People with Disabilities” or “CGCEPD,” as~~  
 4 ~~the “California Committee on Employment of People with~~  
 5 ~~Disabilities.”~~

6 (b) (1) The California-Governor’s Committee on Employment  
 7 of People with Disabilities shall include, but not be limited to, the  
 8 following:

9 (A) Four individuals with disabilities representing disabled  
 10 persons, ~~two appointed by the Governor and one each appointed~~  
 11 ~~by the Senate Committee on Rules and the Speaker of the~~  
 12 ~~Assembly and two appointed by the Secretary of California Health~~  
 13 ~~and Human Services, each for a three-year term.~~

14 (B) The Directors of the Employment Development Department,  
 15 State Department of Health Care Services, State Department of  
 16 Mental Health, State Department of Developmental Services, State  
 17 Department of Social Services, and Department of Rehabilitation,  
 18 and the Chair of the State Independent Living Council.

19 (C) ~~Representatives from the State Department of Health~~  
 20 ~~Services—A representative from the California Health Incentive~~  
 21 ~~Improvement Project.~~

22 (D) A representative from the California Workforce Investment  
 23 Board *who is nominated by that board.*

24 (E) ~~Representatives—At the discretion of the Secretary of~~  
 25 ~~California Health and Human Services, representatives from any~~  
 26 ~~other department or program that may have a role in increasing~~  
 27 ~~the capacity of state programs to support the employment-related~~  
 28 ~~needs of individuals with disabilities.~~

29 (F) A representative from a local one-stop or local workforce  
 30 investment board, ~~to be appointed by the Governor~~ *nominated by*  
 31 *the California Workforce Investment Board.*

32 (G) ~~A business representative—Three business representatives~~  
 33 ~~with experience in employing persons with disabilities, to be~~  
 34 ~~appointed by the Governor by the Secretary of California Health~~  
 35 ~~and Human Services.~~

36 (2) The members of the California-Governor’s Committee on  
 37 Employment of People with Disabilities shall select a chair from  
 38 among the members, and shall hold open meetings no less than  
 39 ~~quarterly~~ *four times a year.*

1 (c) The California ~~Governor's~~ Committee on Employment of  
2 People with Disabilities shall consult with and advise the Labor  
3 and Workforce Development Agency and the California Health  
4 and Human Services Agency on all issues related to full inclusion  
5 in the workforce of persons with disabilities, including  
6 development of the comprehensive strategy required pursuant to  
7 Section 12803.6 ~~and implementation of the grant program~~  
8 ~~established pursuant to Section 12803.7.~~

9 (d) The California ~~Governor's~~ Committee on Employment of  
10 People with Disabilities shall ~~also:~~

11 ~~(1) Coordinate~~ *coordinate* and provide leadership, as necessary,  
12 with regard to efforts to increase inclusion in the workforce of  
13 persons with disabilities, *including, but not limited to, one annual*  
14 *event for youth with disabilities, to the extent funding is available.*

15 ~~(2) Report annually to the Legislature and the Governor on the~~  
16 ~~employment status of Californians with disabilities.~~

17 ~~(e) The California Governor's Committee on Employment of~~  
18 ~~People with Disabilities shall provide support to the State~~  
19 ~~Workforce Investment Board and the local one-stop centers in~~  
20 ~~their efforts to achieve full compliance with Sections 18002, 18004,~~  
21 ~~18006, and 18008 of the Unemployment Insurance Code, and shall~~  
22 ~~identify the extent to which any one-stops are not in full~~  
23 ~~compliance with those sections and the reasons for the lack of~~  
24 ~~compliance, including the need for additional resources.~~

25 ~~(f)~~

26 ~~(e)~~ The California ~~Governor's~~ Committee on Employment of  
27 People with Disabilities shall meet ~~quarterly~~ *four times a year* with  
28 the California Health Incentive Improvement Project, ~~administered~~  
29 ~~by the State Department of Health Services,~~ and the project's  
30 steering committee, to the extent funding for the project continues  
31 and the activities of the California ~~Governor's~~ Committee on  
32 Employment of People with Disabilities are not inconsistent with  
33 the charge of the California Health Incentive Improvement Project.

34 ~~(g)~~

35 ~~(f)~~ Using existing funding, the California ~~Governor's~~ Committee  
36 on Employment of People with Disabilities shall facilitate, promote,  
37 and coordinate collaborative dissemination of information on  
38 employment supports and benefits, which shall include the Ticket  
39 to Work program and health benefits, to individuals with

1 disabilities, consumers of public services, employers, service  
2 providers, and state and local agency staff.

3 ~~(h)~~

4 (g) Using existing funding, the California Governor's Committee  
5 on Employment of People with Disabilities shall receive primary  
6 administrative and staff support from *the Department of*  
7 *Rehabilitation, subject to funding from the* State Employment  
8 Development Department.

9 *SEC. 6. Section 12803.7 of the Government Code is repealed.*

10 ~~12803.7. The California Governor's Committee on Employment~~  
11 ~~of People with Disabilities, in conjunction with the Department~~  
12 ~~of Rehabilitation, pursuant to Section 12803.65 and to the extent~~  
13 ~~that funds are available, shall make grants available to counties~~  
14 ~~and local workforce investment boards, through collaborative~~  
15 ~~efforts of public agencies and private organizations, including~~  
16 ~~organizations that serve people with disabilities, to accomplish~~  
17 ~~both of the following purposes:~~

18 ~~(a) To develop local strategies, including, but not limited to,~~  
19 ~~regular cross-agency staff training, for enhancing employment~~  
20 ~~opportunities for individuals with disabilities:~~

21 ~~(b) To fund comprehensive local or regional benefits planning~~  
22 ~~and outreach programs to assist individuals with disabilities in~~  
23 ~~removing barriers to work:~~

24 *SEC. 7. Section 13996.45 of the Government Code is amended*  
25 *to read:*

26 13996.45. (a) (1) Subject to paragraph (2), and subject to  
27 Section 13996.75, the Business, Transportation and Housing  
28 Agency shall be the primary state agency authorized to do all of  
29 the following:

30 (A) Attract employment-producing foreign investment to the  
31 state.

32 (B) Cooperate in international public infrastructure projects.

33 (C) Provide support for California business in accessing  
34 international markets, including, but not limited to, export  
35 assistance.

36 (D) Engage in other trade or foreign investment related activities  
37 specifically assigned by the Governor.

38 (2) Nothing in this chapter shall be construed to confer powers  
39 or impose duties upon the agency in conflict with any powers  
40 conferred or duties imposed upon the Department of Food and

1 Agriculture with respect to the promotion of California agriculture,  
2 fish, and forest exports.

3 (b) The international trade and investment activities of the  
4 agency shall be monitored by the Legislature, and all public  
5 moneys in its budget expended for those purposes, shall be subject  
6 to approval by the Legislature.

7 (c) The Secretary of Business, Transportation and Housing shall  
8 develop an international trade and investment policy, ~~which shall~~  
9 ~~be consistent with the economic development strategic plan~~  
10 ~~prepared by the California Economic Strategy Panel pursuant to~~  
11 ~~Section 15570~~, and shall provide guidance to strategies and plans  
12 from other agencies and departments related to workforce and  
13 infrastructure development.

14 (d) California's international trade and investment policy shall  
15 be directed through its state strategy, which shall be based on  
16 current and emerging market conditions and the needs of investors,  
17 businesses, and workers to be competitive in global markets.

18 *SEC. 8. Section 13996.5 of the Government Code is repealed.*

19 ~~13996.5.~~ (a) Not later than October 1, 2007, the Secretary of  
20 Business, Transportation and Housing shall complete a study on  
21 the potential roles of the state in global markets.

22 (b) The study shall include, but not be limited to, all of the  
23 following:

24 (1) ~~A discussion of California's economy and its relationship~~  
25 ~~to global markets, including identification of current and emerging~~  
26 ~~trends, industries, services, and areas of comparative advantage.~~

27 (2) ~~An inventory and gap analysis of existing programs and~~  
28 ~~services provided by local, state, federal, and private entities, which~~  
29 ~~serve, or could serve, businesses in opening new foreign markets~~  
30 ~~for their products, attracting foreign investment to their businesses,~~  
31 ~~or generally assisting California businesses in global markets.~~

32 (3) ~~An assessment and gap analysis of the current and future~~  
33 ~~physical and human infrastructure related to foreign trade and~~  
34 ~~investment markets, and the appropriate role for state government~~  
35 ~~to improve the infrastructure needs.~~

36 (4) ~~The results of a survey of businesses on their needs and~~  
37 ~~priorities related to foreign trade and investment. The study may~~  
38 ~~rely on current surveys prepared by trade organizations or academic~~  
39 ~~centers dedicated to economic development, or other surveys, as~~  
40 ~~appropriate.~~

1 ~~(5) An examination of how best to coordinate and leverage~~  
2 ~~existing local, state, and federal organizations, programs, and~~  
3 ~~services related to international trade and investment.~~

4 ~~(6) An assessment of unique opportunities and challenges in~~  
5 ~~developing businesses and attracting investment along the border~~  
6 ~~and in historically underserved urban and rural areas.~~

7 ~~(e) (1) The study shall make recommendations on policies,~~  
8 ~~programs, and funding needs for the next three years, seven years,~~  
9 ~~and over the long term.~~

10 ~~(2) Recommendations may include infrastructure improvements,~~  
11 ~~workforce training needs, incentives for business or investors, and~~  
12 ~~need for international trade and investment offices in relation to~~  
13 ~~the international trade and investment needs of the state.~~

14 ~~(3) To the extent international trade and investment offices are~~  
15 ~~found to be appropriate, the study may make general~~  
16 ~~recommendations on the administration, oversight, and mission~~  
17 ~~or missions of the offices.~~

18 ~~(4) The study shall recommend priorities for state activities and~~  
19 ~~funding related to international trade and investment. The priorities~~  
20 ~~shall be based on the assessment of current and emerging market~~  
21 ~~trends, the inventory and gap analysis of programs and services,~~  
22 ~~the assessment of current and future infrastructure and workforce~~  
23 ~~needs, and input by the business community.~~

24 ~~(5) The study shall recommend an organizational structure for~~  
25 ~~the state administration of international trade and investment~~  
26 ~~policies, programs, and services.~~

27 ~~(d) During the course of the study, the secretary shall consult~~  
28 ~~with other agencies, boards, and commissions that have statutory~~  
29 ~~responsibilities related to workforce development, infrastructure,~~  
30 ~~business, and international trade and investment including, but not~~  
31 ~~limited to, the Economic Strategy Panel, the California Commission~~  
32 ~~on Industrial Innovation, the Office of the Small Business~~  
33 ~~Advocate, the California Transportation Commission, the~~  
34 ~~California Community Colleges, the University of California, the~~  
35 ~~California State University, the Workforce Investment Board, the~~  
36 ~~Employment Training Panel, and the California Energy~~  
37 ~~Commission.~~

38 ~~(e) The results of the study shall be submitted to the Chief Clerk~~  
39 ~~of the Assembly and the Secretary of the Senate. A copy of the~~  
40 ~~study shall be provided to the Speaker of the Assembly, the~~

1 ~~President pro Tempore of the Senate, and the chairs of the~~  
2 ~~Assembly Committee on Jobs, Economic Development, and the~~  
3 ~~Economy and the Senate Committee on Business, Professions and~~  
4 ~~Economic Development, or the successor committees with~~  
5 ~~jurisdiction over international trade and economic development~~  
6 ~~programs.~~

7 *SEC. 9. Section 13996.55 of the Government Code is amended*  
8 *to read:*

9 13996.55. (a) ~~Based on the study prepared pursuant to Section~~  
10 ~~13996.5, the~~ *The* Secretary of Business, Transportation and  
11 Housing shall provide to the Legislature, not later than February  
12 1, 2008, a strategy for international trade and investment that, at  
13 a minimum, includes all of the following:

14 (1) Policy goals, objectives, and recommendations necessary  
15 to implement a comprehensive international trade and investment  
16 program for the State of California. This information shall be  
17 provided in a fashion that clearly indicates priority within the  
18 overall strategy.

19 (2) Measurable outcomes and timelines for the goals, objectives,  
20 and actions for the international trade and investment program.

21 (3) Identification of impediments for achieving goals and  
22 objectives.

23 (4) Identification of key stakeholder partnerships that will be  
24 used in implementing the strategy.

25 (5) Identification of options for funding recommended actions.

26 (6) Identification of an international trade and investment  
27 organizational structure for the state administration of international  
28 trade and investment policies, programs, and services.

29 (b) ~~The strategy shall be developed in consultation with the~~  
30 ~~California Economic Strategy Panel.~~ In the course of developing  
31 the strategy, the secretary shall also consult with other agencies,  
32 boards, and commissions that have statutory responsibilities related  
33 to workforce development, infrastructure, business, and  
34 international trade and investment including, but not limited to,  
35 the California Commission on Industrial Innovation, the Office of  
36 the Small Business Advocate, the California Transportation  
37 Commission, the California Community Colleges, the University  
38 of California, the California State University, the Workforce  
39 Investment Board, the Employment Training Panel, and the  
40 California Energy Commission.

1 (c) The strategy shall be submitted to the Chief Clerk of the  
2 Assembly and the Secretary of the Senate. A copy of the strategy  
3 shall be provided to the Speaker of the Assembly, the President  
4 pro Tempore of the Senate, and the chairs of the Assembly  
5 Committee on Jobs, Economic Development, and the Economy  
6 and the Senate Committee on Business, Professions and Economic  
7 Development, or the successor committees with jurisdiction over  
8 international trade and economic development programs.

9 (d) (1) The strategy shall be reviewed in at least one public  
10 hearing by the relevant policy and fiscal committees of each house  
11 of the Legislature. The hearings shall be held within 60 days of  
12 the strategy being submitted to the Legislature. If the strategy is  
13 submitted when the Legislature is in recess, the hearings shall  
14 occur within 60 days of the members convening.

15 (2) The legislative committees may make recommendations to  
16 the secretary on the strategy, and the secretary may modify the  
17 strategy accordingly.

18 (e) The secretary shall report to the fiscal committees of the  
19 Legislature on or before February 1, 2009, and by that date each  
20 year thereafter, on how the Governor's proposed budget relates to  
21 the strategy.

22 (f) The strategy shall be updated pursuant to the procedures of  
23 this section at least once every five years.

24 *SEC. 10. Section 13996.6 of the Government Code is amended*  
25 *to read:*

26 13996.6. (a) The Secretary of Business, Transportation and  
27 Housing shall convene a statewide business partnership for  
28 international trade and investment no later than March 1, 2007.

29 (b) The business partnership shall include representatives from  
30 small, medium, and large businesses and industries, as well as  
31 nongovernmental organizations and government representatives.

32 (c) The business partnership shall advise the secretary on  
33 business needs and strategy priorities as they relate to international  
34 trade and investment. ~~This information shall be used in establishing  
35 the needs and priorities in the plan developed pursuant to Section  
36 13996.5 and the strategy developed pursuant to Section 13996.55,  
37 and for any other uses as determined by the secretary.~~

38 *SEC. 11. Section 15570 of the Government Code is repealed.*

1 15570. (a) The secretary shall lead the preparation of a biennial  
2 California Economic Development Strategic Plan. In fulfilling this  
3 duty, the secretary shall do the following:

4 (1) ~~Review the recommendations made by the California~~  
5 ~~Economic Strategy Panel in their biennial economic development~~  
6 ~~strategic plan document. This document shall make~~  
7 ~~recommendations regarding an economic development strategic~~  
8 ~~plan for the state, covering a two-year time period and containing~~  
9 ~~a statement of economic goals for the state, a prioritized list~~  
10 ~~identifying significant issues learned from economic development~~  
11 ~~strategic plan panel meetings, proposals for legislation, regulations,~~  
12 ~~and administrative reforms necessary to improve the business~~  
13 ~~climate and economy of the state, evaluation of the effectiveness~~  
14 ~~of the state's economic development programs, a list of key~~  
15 ~~industries in which the state shall focus its economic development~~  
16 ~~efforts, and strategies to foster job growth and economic~~  
17 ~~development covering all state agencies, offices, boards, and~~  
18 ~~commissions that have economic development responsibilities.~~

19 (2) ~~Convene a biennial economic strategy panel to provide~~  
20 ~~recommendations regarding a California economic development~~  
21 ~~strategic plan. This panel shall conduct meetings in Sacramento,~~  
22 ~~all cities of the state with populations over 500,000, and in major~~  
23 ~~cities of other regions of California as designated by the secretary.~~  
24 ~~The secretary shall invite businesses, labor unions, organizations~~  
25 ~~representing the interests of diverse ethnic and gender groups,~~  
26 ~~local government leaders, academic economists and business~~  
27 ~~professors, chambers of commerce and other business~~  
28 ~~organizations, government agencies, and key industries to~~  
29 ~~contribute to the preparation of the recommended economic~~  
30 ~~strategy. These meetings shall address at least the following matters~~  
31 ~~of concern:~~

32 (A) ~~Strengths and weaknesses of the California economy and~~  
33 ~~the state's prospects for future economic prosperity.~~

34 (B) ~~Emerging and declining industries in California and~~  
35 ~~elsewhere.~~

36 (C) ~~Effectiveness of California's economic development~~  
37 ~~programs in creating and retaining jobs and attracting industries.~~

38 (D) ~~Adequacy of state and local physical and economic~~  
39 ~~infrastructure.~~

40 (E) ~~Government impediments to economic development.~~

1     ~~(F) The development of a system of accountability for use in~~  
2 ~~the annual state budget process and in the legislative process to~~  
3 ~~measure the performance of all state policies, programs, and tax~~  
4 ~~expenditures intended to stimulate the economy. In developing a~~  
5 ~~system of accountability, the panel shall, by using only existing~~  
6 ~~resources and without future budget augmentation made for this~~  
7 ~~purpose, do all of the following:~~  
8     ~~(i) Develop a standard definition of economic development.~~  
9     ~~(ii) Develop, for use in state law, standard measurements of real~~  
10 ~~per capita income, job growth, new business creation, private sector~~  
11 ~~investment, minority entrepreneurship, and income inequality.~~  
12     ~~(iii) Survey and evaluate efforts in other states to develop~~  
13 ~~accountability measures for public investments in economic~~  
14 ~~development.~~  
15     ~~(iv) Determine whether a return on investment calculation is~~  
16 ~~feasible for public investments in economic development.~~  
17     ~~(v) Conduct a comparative study of various methodologies for~~  
18 ~~preparing the economic development sections of a state budget,~~  
19 ~~including unified functional budget, zero-based budget, and~~  
20 ~~performance-based budget methodologies.~~  
21     ~~(vi) Study the feasibility of statutory disclosure requirements~~  
22 ~~on specified publicly funded subsidies to private sector businesses.~~  
23     ~~(vii) Submit a report of its findings and recommendations~~  
24 ~~regarding this subparagraph to the Legislature no later than one~~  
25 ~~year after its first meeting after January 1, 2005.~~  
26     ~~(b) The panel shall be composed of the following 15 members:~~  
27     ~~(1) The Secretary of Labor and Workforce Development, who~~  
28 ~~shall serve as chair of the panel.~~  
29     ~~(2) Eight persons appointed by the Governor.~~  
30     ~~(3) The Speaker of the Assembly or his or her designee.~~  
31     ~~(4) The President pro Tempore of the Senate or his or her~~  
32 ~~designee.~~  
33     ~~(5) The Minority Leader of the Assembly or his or her designee.~~  
34     ~~(6) The Minority Leader of the Senate or his or her designee.~~  
35     ~~(7) One person appointed by the Speaker of the Assembly.~~  
36     ~~(8) One person appointed by the Senate Committee on Rules.~~  
37     ~~(c) The panel shall be representative of state government,~~  
38 ~~business, labor, finance, and academic institutions, and shall be~~  
39 ~~broadly reflective of the state's population as to gender, ethnicity,~~  
40 ~~and geographic residence within California.~~

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

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

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

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

15 (d) The secretary shall deliver copies of the economic strategy  
16 panel's recommended California economic development strategic  
17 plan to every constitutional officer, legislator, member of the  
18 Governor's cabinet, members of the economic development  
19 strategic plan panel, and every state agency, office, board, and  
20 commission having economic development responsibilities.

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

24 *SEC. 12. Section 56425 of the Government Code is amended*  
25 *to read:*

26 56425. (a) In order to carry out its purposes and responsibilities  
27 for planning and shaping the logical and orderly development and  
28 coordination of local governmental agencies to advantageously  
29 provide for the present and future needs of the county and its  
30 communities, the commission shall develop and determine the  
31 sphere of influence of each local governmental agency within the  
32 county and enact policies designed to promote the logical and  
33 orderly development of areas within the sphere.

34 (b) Prior to a city submitting an application to the commission  
35 to update its sphere of influence, representatives from the city and  
36 representatives from the county shall meet to discuss the proposed  
37 new boundaries of the sphere and explore methods to reach  
38 agreement on development standards and planning and zoning  
39 requirements within the sphere to ensure that development within  
40 the sphere occurs in a manner that reflects the concerns of the

1 affected city and is accomplished in a manner that promotes the  
2 logical and orderly development of areas within the sphere. If an  
3 agreement is reached between the city and county, the city shall  
4 forward the agreement in writing to the commission, along with  
5 the application to update the sphere of influence. The commission  
6 shall consider and adopt a sphere of influence for the city consistent  
7 with the policies adopted by the commission pursuant to this  
8 section, and the commission shall give great weight to the  
9 agreement to the extent that it is consistent with commission  
10 policies in its final determination of the city sphere.

11 (c) If the commission's final determination is consistent with  
12 the agreement reached between the city and county pursuant to  
13 subdivision (b), the agreement shall be adopted by both the city  
14 and county after a noticed public hearing. Once the agreement has  
15 been adopted by the affected local agencies and their respective  
16 general plans reflect that agreement, then any development  
17 approved by the county within the sphere shall be consistent with  
18 the terms of that agreement.

19 (d) If no agreement is reached pursuant to subdivision (b), the  
20 application may be submitted to the commission and the  
21 commission shall consider a sphere of influence for the city  
22 consistent with the policies adopted by the commission pursuant  
23 to this section.

24 (e) In determining the sphere of influence of each local agency,  
25 the commission shall consider and prepare a written statement of  
26 its determinations with respect to each of the following:

27 (1) The present and planned land uses in the area, including  
28 agricultural and open-space lands.

29 (2) The present and probable need for public facilities and  
30 services in the area.

31 (3) The present capacity of public facilities and adequacy of  
32 public services that the agency provides or is authorized to provide.

33 (4) The existence of any social or economic communities of  
34 interest in the area if the commission determines that they are  
35 relevant to the agency.

36 (f) Upon determination of a sphere of influence, the commission  
37 shall adopt that sphere.

38 (g) On or before January 1, 2008, and every five years thereafter,  
39 the commission shall, as necessary, review and update each sphere  
40 of influence.

1 (h) The commission may recommend governmental  
2 reorganizations to particular agencies in the county, using the  
3 spheres of influence as the basis for those recommendations. Those  
4 recommendations shall be made available, upon request, to other  
5 agencies or to the public. The commission shall make all reasonable  
6 efforts to ensure wide public dissemination of the  
7 recommendations.

8 (i) When adopting, amending, or updating a sphere of influence  
9 for a special district, the commission shall ~~do all of the following:~~  
10 *establish the nature, location, and extent of any functions or classes*  
11 *of services provided by existing districts.*

12 ~~(1) Require existing districts to file written statements with the~~  
13 ~~commission specifying the functions or classes of services provided~~  
14 ~~by those districts.~~

15 ~~(2) Establish the nature, location, and extent of any functions~~  
16 ~~or classes of services provided by existing districts.~~

17 (j) *When adopting, amending, or updating a sphere of influence*  
18 *for a special district, the commission may require existing districts*  
19 *to file written statements with the commission specifying the*  
20 *functions or classes of services provided by those districts.*

21 *SEC. 13. Section 63000 of the Government Code is amended*  
22 *to read:*

23 63000. The Legislature finds and declares the following:

24 (a) Economic revitalization, future development, and a healthy  
25 climate for jobs in California will depend upon a well-conceived  
26 system of public improvements that are essential to the economic  
27 well-being of the citizens of the state and are necessary to maintain,  
28 as well as create, employment within the state for business.

29 (b) It is necessary for public policy to support the efforts of  
30 businesses attempting to expand, businesses seeking to locate in  
31 California, and local economic development organizations, public  
32 agencies, and new entrepreneurs by dedicating public fiscal  
33 resources to confront obstacles and barriers that impede economic  
34 growth.

35 (c) Existing mechanisms that coordinate federal, state, local,  
36 and private financial resources are inadequate to attract and sustain  
37 that level of private investment that is essential to a growth  
38 economy.

39 (d) In order to secure and enhance the economic well-being of  
40 Californians, promote economic development in the state, and

1 provide a healthy climate for the creation of jobs, it is necessary  
2 for public policy to support the efforts of expanding businesses,  
3 businesses seeking to locate in California, local development  
4 organizations, public bodies, and new entrepreneurs to gain access  
5 to capital through current and potential operations of financial  
6 markets.

7 (e) The high cost and the lack of availability of industrial loans  
8 for small- and medium-size businesses is making it difficult for  
9 thousands of these enterprises to get established, to maintain their  
10 present employment levels, or to expand employment.

11 (f) The problem of access to capital is acute in the high  
12 technology industry clusters because companies must often finance  
13 large capital expenditures early in their development cycle, and  
14 cannot obtain financing sufficient to cover the cost of those  
15 expenditures. Consideration should be given to industry clusters  
16 ~~identified by the Economic Strategy Panel~~ that may include the  
17 following:

18 (1) Health care technology.

19 (2) Multimedia.

20 (3) Environmental technology.

21 (4) Information technology.

22 (g) The high cost and limited availability of loans and capital  
23 has led a number of states to take action to remedy these conditions  
24 through concerted public and private investment programs that  
25 include efforts to do the following:

26 (1) Use the state's access to capital markets more effectively  
27 for economic development.

28 (2) Create financing pools to access national capital markets or  
29 help government sponsors and public-private economic  
30 development organizations obtain credit enhancement on their  
31 own.

32 (3) Facilitate credit enhancement for selected specific projects.

33 (4) Provide or arrange for loan insurance.

34 (5) Create and support secondary markets for loan portfolios of  
35 urban and rural economic development corporations and others.

36 (6) Improve access to international capital markets.

37 (7) Provide opportunities for public pension funds and other  
38 institutional investors to play a larger role in state economic  
39 development.

1 (8) Arrange for or provide subordinated debt for selected  
2 projects.

3 (9) Increase support for local infrastructure development.

4 (h) Local governments in California bear a primary  
5 responsibility for the business of promoting job creation and  
6 economic development efforts. California's continued reliance on  
7 autonomous local entities often fails to adequately consider regional  
8 impacts of business expansion. Projects of a regional nature need  
9 the benefit of a state coordinating function to augment and enhance  
10 local economic development and environmental efforts.

11 (i) The State of California has not embarked on a major  
12 infrastructure financing effort since the decade of the 1960's,  
13 despite persistent unemployment and soaring population growth.

14 (j) California's ability to compete in a global economy depends  
15 upon its capacity to implement policies that take maximum  
16 advantage of public and private resources at the local, regional,  
17 state, and national levels. These policies should be coordinated  
18 with any future legislative plan involving growth management  
19 strategies designed to make economic growth compatible with  
20 environmental protections. It is the intent of the Legislature in  
21 enacting this act to create a mechanism to finance projects needed  
22 to implement economic development and job creation and growth  
23 management strategies, and to provide a secure and stable funding  
24 source for implementation of this act in order to meet critical  
25 economic, social, and environmental concerns.

26 (k) The State of California needs a financing entity structured  
27 with broad authority to issue bonds, provide guarantees, and  
28 leverage state and federal funds using techniques that will target  
29 public investment to facilitate economic development. The goal  
30 is to produce more private sector jobs with less public sector  
31 investment.

32 (l) The mechanisms for financing public improvements and  
33 private job creation strategies provided for in this act are in the  
34 public interest, serve a public purpose, and will promote the health,  
35 welfare, and safety of the citizens of the state.

36 (m) The public policies and responsibilities of the state,  
37 including all of the above purposes and functions, cannot be fully  
38 obtained without the use of financing assistance and can be most  
39 effectively furthered by the creation of the California Infrastructure  
40 and Economic Development Bank.

1     *SEC. 14. Section 1348.9 of the Health and Safety Code is*  
2     *amended to read:*

3     1348.9. (a) On or before July 1, 2003, the director shall adopt  
4     regulations to establish the Consumer Participation Program, which  
5     shall allow for the director to award reasonable advocacy and  
6     witness fees to any person or organization that demonstrates that  
7     the person or organization represents the interests of consumers  
8     and has made a substantial contribution on behalf of consumers  
9     to the adoption of any regulation or to an order or decision made  
10    by the director if the order or decision has the potential to impact  
11    a significant number of enrollees.

12    (b) The regulations adopted by the director shall include  
13    specifications for eligibility of participation, rates of compensation,  
14    and procedures for seeking compensation. The regulations shall  
15    require that the person or organization demonstrate a record of  
16    advocacy on behalf of health care consumers in administrative or  
17    legislative proceedings in order to determine whether the person  
18    or organization represents the interests of consumers.

19    (c) This section shall apply to all proceedings of the department,  
20    but shall not apply to resolution of individual grievances,  
21    complaints, or cases.

22    (d) Fees awarded pursuant to this section may not exceed three  
23    hundred fifty thousand dollars (\$350,000) each fiscal year.

24    (e) The fees awarded pursuant to this section shall be considered  
25    costs and expenses pursuant to Section 1356 and shall be paid from  
26    the assessment made under that section. Notwithstanding the  
27    provisions of this subdivision, the amount of the assessment shall  
28    not be increased to pay the fees awarded under this section.

29    (f) The department shall report to the appropriate policy and  
30    fiscal committees of the Legislature before March 1, 2004, and  
31    annually thereafter, the following information:

32    (1) The amount of reasonable advocacy and witness fees  
33    awarded each fiscal year.

34    (2) The individuals or organization to whom advocacy and  
35    witness fees were awarded pursuant to this section.

36    (3) The orders, decisions, and regulations pursuant to which the  
37    advocacy and witness fees were awarded.

38    (g) This section shall remain in effect only until January 1, ~~2012~~  
39    2018, and as of that date is repealed, unless a later enacted statute,

1 that is enacted before January 1, ~~2012~~ 2018, deletes or extends  
2 that date.

3 *SEC. 15. Section 1275 of the Unemployment Insurance Code*  
4 *is amended to read:*

5 1275. (a) Unemployment compensation benefit award  
6 computations shall be based on wages paid in the base period.  
7 “Base period” means: for benefit years beginning in October,  
8 November, or December, the four calendar quarters ended in the  
9 next preceding month of June; for benefit years beginning in  
10 January, February, or March, the four calendar quarters ended in  
11 the next preceding month of September; for benefit years beginning  
12 in April, May, or June, the four calendar quarters ended in the next  
13 preceding month of December; for benefit years beginning in July,  
14 August, or September, the four calendar quarters ended with the  
15 next preceding month of March. Wages used in the determination  
16 of benefits payable to an individual during any benefit year may  
17 not be used in determining that individual’s benefits in any  
18 subsequent benefit year.

19 (b) For any new claim filed on or after ~~September 3, 2011~~ April  
20 2, 2012, or earlier if the department implements the technical  
21 changes necessary to establish claims under the alternate base  
22 period, as specified in subdivision (c), if an individual cannot  
23 establish a claim under subdivision (a), then “base period” means:  
24 for benefit years beginning in October, November, or December,  
25 the four calendar quarters ended in the next preceding month of  
26 September; for benefit years beginning in January, February, or  
27 March, the four calendar quarters ended in the next preceding  
28 month of December; for benefit years beginning in April, May, or  
29 June, the four calendar quarters ended in the next preceding month  
30 of March; for benefit years beginning in July, August, or  
31 September, the four calendar quarters ended in the next preceding  
32 month of June. As provided in Section 1280, the quarter with the  
33 highest wages shall be used to determine the individual’s weekly  
34 benefit amount. Wages used in the determination of benefits  
35 payable to an individual during any benefit year may not be used  
36 in determining that individual’s benefits in any subsequent benefit  
37 year.

38 (c) The department shall implement the technical changes  
39 necessary to establish claims under the alternate base period

1 specified in subdivision (b) as soon as possible, but no later than  
2 ~~September 3, 2011~~ April 2, 2012.

3 *SEC. 16. Section 10205 of the Unemployment Insurance Code*  
4 *is amended to read:*

5 10205. The panel shall do all of the following:

6 (a) Establish a three-year plan that shall be updated annually,  
7 based on the demand of employers for trained workers, changes  
8 in the state's economy and labor markets, and continuous reviews  
9 of the effectiveness of panel training contracts. The updated plan  
10 shall be submitted to the Governor and the Legislature not later  
11 than January 1 of each year. In carrying out this section, the panel  
12 shall review information in the following areas:

13 (1) Labor market information, including the state-local labor  
14 market information program in the Employment Development  
15 Department, ~~the California Economic Strategy Panel~~, and other  
16 relevant regional or statewide initiatives and collaboratives.

17 (2) Evaluations of the effectiveness of training as measured by  
18 increased security of employment for workers and benefits to the  
19 California economy.

20 (3) The demand for training by industry, type of training, and  
21 size of employer.

22 (4) Changes in skills necessary to perform jobs, including  
23 changes in basic literacy skills.

24 (5) Changes in the demographics of the labor force and the  
25 population entering the labor market.

26 (6) Proposed expenditures by other agencies of federal  
27 Workforce Investment Act funds and other state and federal  
28 training and vocational education funds on eligible participants.

29 (b) Maintain a system to continuously monitor economic and  
30 other data required under this plan. If this data changes significantly  
31 during the life of the plan, the plan shall be amended by the panel.  
32 Each plan shall include all of the following:

33 (1) The panel's objectives with respect to the criteria and  
34 priorities specified in Section 10200 and the distribution of funds  
35 between new-hire training and retraining.

36 (2) The identification of specific industries, production and  
37 quality control techniques, and regions of the state where  
38 employment training funds would most benefit the state's economy  
39 and plans to encourage training in these areas, including specific

1 standards and a system for expedited review of proposals that meet  
2 the standards.

3 (3) A system for expedited review of proposals that are  
4 substantially similar with respect to employer needs, training  
5 curriculum, duration of training, and costs of training, in order to  
6 encourage the development of proposals that meet the needs  
7 identified in paragraph (2).

8 (4) The panel's goals, operational objectives, and strategies to  
9 meet the needs of small businesses, including, but not limited to,  
10 those small businesses with 100 or fewer employees. These  
11 strategies proposed by the panel may include, but not be limited  
12 to, pilot demonstration projects designed to identify potential  
13 barriers that small businesses may experience in accessing panel  
14 programs and workforce training resources, including barriers that  
15 may exist within small businesses.

16 (5) The research objectives of the panel that contribute to the  
17 effectiveness of this chapter in benefiting the economy of the state  
18 as a whole.

19 (6) A priority list of skills or occupations that are in such short  
20 supply that employers are choosing to not locate or expand their  
21 businesses in the state or are importing labor in response to these  
22 skills shortages.

23 (7) A review of the panel's efforts to coordinate with the  
24 California Workforce Investment Board and local boards to achieve  
25 an effective and coordinated approach in the delivery of the state's  
26 workforce resources.

27 (A) The panel will consider specific strategies to achieve this  
28 goal that include the development of initiatives to engage local  
29 workforce investment boards in enhancing the utilization of panel  
30 training resources by companies in priority sectors, special  
31 populations, and in geographically underserved areas of the state.

32 (B) Various approaches to foster greater program integration  
33 between workforce investment boards and the panel will also be  
34 considered, which may include marketing agreements, expanded  
35 technical assistance, modification of program regulations and  
36 policy, and expanded use of multiple employer contracts.

37 (c) Solicit proposals and write contracts on the basis of proposals  
38 made directly to it. Contracts for the purpose of providing  
39 employment training may be written with any of the following:

40 (1) An employer or group of employers.

1 (2) A training agency.

2 (3) A local workforce investment board with the approval of  
3 the appropriate local elected officials in the local workforce  
4 investment area.

5 (4) A grant recipient or administrative entity selected pursuant  
6 to the federal Workforce Investment Act of 1998, with the approval  
7 of the local workforce investment board and the appropriate local  
8 elected officials.

9 These contracts shall be in the form of fixed-fee performance  
10 contracts. Notwithstanding any provision of law to the contrary,  
11 contracts entered into pursuant to this chapter shall not be subject  
12 to competitive bidding procedures. Contracts for training may be  
13 written for a period not to exceed 24 months for the purpose of  
14 administration by the panel and the contracting employer or any  
15 group of employers acting jointly or any training agency for the  
16 purpose of providing employment training.

17 (d) Fund training projects that best meet the priorities identified  
18 annually. In doing so, the panel shall seek to facilitate the  
19 employment of the maximum number of eligible participants.

20 (e) Establish minimum standards for the consideration of  
21 proposals, which shall include, but not be limited to, evidence of  
22 labor market demand, the number of jobs available, the skill  
23 requirements for the identified jobs, the projected cost per person  
24 trained, hired, and retained in employment, the wages paid  
25 successful trainees upon placement, and the curriculum for the  
26 training. No proposal shall be considered or approved that proposes  
27 training for employment covered by a collective bargaining  
28 agreement unless the signatory labor organization agrees in writing.

29 (f) Ensure the provision of adequate fiscal and accounting  
30 controls for, monitoring and auditing of, and other appropriate  
31 technical and administrative assistance to, projects funded by this  
32 chapter.

33 (g) Provide for evaluation of projects funded by this chapter.  
34 The evaluations shall assess the effectiveness of training previously  
35 funded by the panel to improve job security and stability for  
36 workers, and benefit participating employers and the state's  
37 economy, and shall compare the wages of trainees in the 12-month  
38 period prior to training as well as the 12-month period subsequent  
39 to completion of training, as reflected in the department's  
40 unemployment insurance tax records. Individual project evaluations

1 shall contain a summary description of the project, the number of  
2 persons entering training, the number of persons completing  
3 training, the number of persons employed at the end of the project,  
4 the number of persons still employed three months after the end  
5 of the project, the wages paid, the total costs of the project, and  
6 the total reimbursement received from the Employment Training  
7 Fund.

8 (h) Report annually to the Legislature, by November 30, on  
9 projects operating during the previous state fiscal year. These  
10 annual reports shall provide separate summaries of all of the  
11 following:

12 (1) Projects completed during the year, including their individual  
13 and aggregate performance and cost.

14 (2) Projects not completed during the year, briefly describing  
15 each project and identifying approved contract amounts by contract  
16 and for this category as a whole, and identifying any projects in  
17 which funds are expected to be disencumbered.

18 (3) Projects terminated prior to completion and the reasons for  
19 the termination.

20 (4) A description of the amount, type, and effectiveness of  
21 literacy training funded by the panel.

22 (5) Results of complete project evaluations.

23 (6) A description of pilot projects, and the strategies that were  
24 identified through these projects, to increase access by small  
25 businesses to panel training contracts.

26 (7) A listing of training projects that were funded in high  
27 unemployment areas and a detailed description of the policies and  
28 procedures that were used to designate geographic regions and  
29 municipalities as high unemployment areas.

30 In addition, based upon its experience in administering job  
31 training projects, the panel shall include in these reports policy  
32 recommendations concerning the impact of job training and the  
33 panel's program on economic development, labor-management  
34 relations, employment security, and other related issues.

35 (i) Conduct ongoing reviews of panel policies with the goal of  
36 developing an improved process for developing, funding, and  
37 implementing panel contracts as described in this chapter.

38 (j) Expedite the processing of contracts for firms considering  
39 locating or expanding businesses in the state, in accordance with

1 the priorities for employment training programs set forth in  
 2 subdivision (b) of Section 10200.

3 (k) Coordinate and consult regularly with business groups and  
 4 labor organizations, the California Workforce Investment Board,  
 5 the State Department of Education, the office of the Chancellor of  
 6 the California Community Colleges, and the Employment  
 7 Development Department.

8 (l) Adopt by regulation procedures for the conduct of panel  
 9 business, including the scheduling and conduct of meetings, the  
 10 review of proposals, the disclosure of contacts between panel  
 11 members and parties at interest concerning particular proposals,  
 12 contracts or cases before the panel or its staff, the awarding of  
 13 contracts, the administration of contracts, and the payment of  
 14 amounts due to contractors. All decisions by the panel shall be  
 15 made by resolution of the panel and any adverse decision shall  
 16 include a statement of the reason for the decision.

17 (m) Adopt regulations and procedures providing reasonable  
 18 confidentiality for the proprietary information of employers seeking  
 19 training funds from the panel if the public disclosure of that  
 20 information would result in an unfair competitive disadvantage to  
 21 the employer supplying the information. The panel may not  
 22 withhold information from the public regarding its operations,  
 23 procedures, and decisions that would otherwise be subject to  
 24 disclosure under the California Public Records Act (Chapter 3.5  
 25 commencing with Section 6250) of Division 7 of Title 1 of the  
 26 Government Code).

27 (n) Review and comment on the budget and performance of any  
 28 program, project, or activity funded by the panel utilizing funds  
 29 collected pursuant to Section 976.6.

30 *SEC. 17. Section 10529 of the Unemployment Insurance Code*  
 31 *is amended to read:*

32 10529. (a) The services provided by the existing labor market  
 33 information system within the department shall include workforce  
 34 and economic information that does all of the following:

35 (1) Provides data and information to the state Workforce  
 36 Investment Board created pursuant to Section 2821 of Title 29 of  
 37 the United States Code, to enable the board to plan, operate, and  
 38 evaluate investments in the state’s workforce preparation system  
 39 that will make the California economy more productive and  
 40 competitive.

1 (2) Provides data and information to the California Economic  
2 Strategy Panel for continuous strategic planning and the  
3 development of policies for the growth and competitiveness of the  
4 California economy.

5 (3) Identifies and combines information from various state data  
6 bases to produce useful, geographically based analysis and  
7 products, to the extent possible using existing resources.

8 (4) Provides technical assistance related to accessing workforce  
9 and economic information to local governments, public-sector  
10 entities, research institutes, nonprofit organizations, and community  
11 groups that have various levels of expertise, to the extent possible  
12 using existing resources.

13 (b) The department shall coordinate with the State Department  
14 of Education, the Chancellor of the California Community  
15 Colleges, the State Department of Social Services, the California  
16 Postsecondary Education Commission, the Department of Finance,  
17 and the Franchise Tax Board in developing economic and  
18 workforce information. The department shall also solicit input in  
19 the operation of the program from public and private agencies and  
20 individuals that make use of the labor market information provided  
21 by the department.

22 *SEC. 18. Section 14012 of the Unemployment Insurance Code*  
23 *is amended to read:*

24 14012. The board shall be appointed by the Governor to assist  
25 in the development of the State Workforce Investment Plan and  
26 to carry out other functions, as described in Section 14103. The  
27 board shall be comprised of the Governor and representatives from  
28 the following categories:

29 (a) Two members of each house of the Legislature, appointed  
30 by the appropriate presiding officer of each house.

31 (b) ~~(1)~~—A majority of board members shall be representatives  
32 of business who:

33 ~~(A)~~

34 ~~(1)~~ Are owners of small and large businesses, chief executives  
35 or operating officers of small and large businesses, and other small  
36 and large business executives or employers with optimum  
37 policymaking or hiring authority, including members of local  
38 workforce investment boards.

39 ~~(B)~~

- 1 (2) Represent businesses with employment opportunities that
- 2 reflect the employment opportunities of the state.
- 3 ~~(C)~~
- 4 (3) Are appointed from a group of individuals nominated by
- 5 state business organizations and business trade associations.
- 6 ~~(2) At least one representative shall be a private sector member~~
- 7 ~~of the California Economic Strategy Panel, created pursuant to~~
- 8 ~~Section 15570 of the Government Code.~~
- 9 (c) Chief elected officials representing both cities and counties,
- 10 where appropriate.
- 11 (d) Representatives of labor organizations that are appointed to
- 12 the board by the Governor shall have been nominated by state
- 13 labor federations. At least 15 percent of board members shall be
- 14 representatives of labor organizations.
- 15 (e) Representatives of individuals and organizations that have
- 16 experience with regard to youth activities.
- 17 (f) Representatives of individuals and organizations that have
- 18 experience and expertise in the delivery of workforce investment
- 19 activities, including the Chancellor of the California Community
- 20 Colleges, representatives of school districts, and representatives
- 21 of community-based organizations within the state.
- 22 (g) The lead state agency officials with responsibility for the
- 23 programs, services, or activities that are mandatory participants in
- 24 the one-stop system, or, where there are no lead state agency
- 25 officials responsible for those programs, services, or activities, a
- 26 representative with expertise relating to those programs, services,
- 27 or activities.
- 28 (h) Any other representatives and state agency officials as the
- 29 Governor may designate, such as the state agency officials
- 30 responsible for economic development and juvenile justice
- 31 programs in the state.
- 32 (i) Members of the board that represent organizations, agencies,
- 33 or other entities shall be individuals with optimum policymaking
- 34 authority within those organizations, agencies, or entities.
- 35 (j) In making appointments to the board, the Governor shall
- 36 consider the ethnic, race, gender, and geographic distribution of
- 37 the state's population, and members of the board shall represent
- 38 diverse regions of the state, including urban, rural, and suburban
- 39 areas.

1 (k) The Governor may appoint a single member to the board to  
2 represent multiple constituencies on the board.

3 (l) The Governor shall select a chairperson for the board from  
4 the business representatives.

5 *SEC. 19. Section 15001 of the Unemployment Insurance Code*  
6 *is amended to read:*

7 15001. (a) The Legislature finds and declares all of the  
8 following:

9 (1) The State of California has long been a national and  
10 international leader on environmental, natural resource, pollution  
11 prevention, and energy issues, as well as recent landmark laws in  
12 the areas of climate change, renewable energy, energy efficiency,  
13 and alternative transportation fuels.

14 (2) The passage of these laws has resulted in billions of dollars  
15 of investment capital flowing into the State of California for  
16 research, development, and commercialization of new green and  
17 clean technologies. This investment of capital is indicative of the  
18 rapidly growing clean and green technology sector of the California  
19 economy.

20 ~~(3) The California Economic Strategy Panel has identified~~  
21 ~~California's economy as an economy of regions. The panel also~~  
22 ~~adopted a new way of looking at industry sectors and how they~~  
23 ~~function and grow as industry clusters. California's green economy~~  
24 ~~is about the potential of new technologies combined with~~  
25 ~~innovative public policy and strategic investments to stimulate the~~  
26 ~~growth of new markets for green products and services.~~

27 (4) As the green economy grows, it will be accompanied by an  
28 increased demand for a highly skilled and well-trained “green  
29 collar” workforce.

30 (5) California state government must act promptly to build the  
31 partnerships, expand the programs, and secure the resources  
32 necessary to meet our green workforce needs. This effort must  
33 involve both our K–12 and higher education systems, labor unions,  
34 the environmental community, workforce development programs,  
35 nongovernmental organizations, philanthropy, and private sector  
36 industries.

37 (6) In acknowledgment of the tremendous size of California's  
38 economy and related infrastructure, the application of sector  
39 strategies in a wide variety of industry sectors is essential to  
40 providing labor for industry and career paths for current and

1 potential employees. The California Workforce Investment Board  
2 shall adopt a sector strategy approach in responding to industry  
3 sector workforce and economic development needs. This strategy  
4 will ensure industry has a qualified workforce and can offer  
5 opportunities for employment, training, and career advancement  
6 for all Californians. The initial drive of this sector strategy  
7 approach will be the California Green Collar Jobs Act of 2008.

8 *SEC. 20. Sections 4, 5, 6, 7, 8, 9, 10, 11, 13, 16, 17, 18, and*  
9 *19 of this bill shall not become operative until January 1, 2012.*

10 *SEC. 21. There is hereby appropriated the sum of one thousand*  
11 *dollars (\$1,000) from the Technology Services Revolving Fund to*  
12 *the California Technology Agency for administrative costs.*

13 *SEC. 22. This act is a bill providing for appropriations related*  
14 *to the Budget Bill within the meaning of subdivision (e) of Section*  
15 *12 of Article IV of the California Constitution, has been identified*  
16 *as related to the budget in the Budget Bill, and shall take effect*  
17 *immediately.*

18 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
19 ~~changes relating to the Budget Act of 2011.~~