

## Assembly Bill No. 119

### CHAPTER 31

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.

[Approved by Governor June 28, 2011. Filed with  
Secretary of State June 29, 2011.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 119, Committee on Budget. 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 Employment Development 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.

Appropriation: yes.

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

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

965. (a) Upon the allowance by the California Victim Compensation and Government Claims Board of all or part of a claim for which the Director of Finance certifies that a sufficient appropriation for the payment of the claim exists, and the execution and presentation of documents the board may require which discharge the state of all liability under the claim, the board shall designate the fund from which the claim is to be paid and the state agency concerned shall pay the claim from that fund. If there is no sufficient appropriation for the payment available, the board shall report to the Legislature in accordance with Section 912.8. Claims arising out of the activities of the State Department of Transportation may be paid if either the Director of Transportation or the Director of Finance certifies that a sufficient appropriation for the payment of the claim exists.

(b) Notwithstanding subdivision (a), if there is no sufficient appropriation for the payment of claims, settlements, or judgments against the state arising from an action in which the state is represented by the Attorney General, the Attorney General shall report the claims, settlements, and judgments to the Chairperson of either the Senate Committee on Appropriations or the Assembly Committee on Budget, who shall cause to be introduced legislation appropriating funds for the payment of the claims, settlements, or judgments.

(c) Notwithstanding subdivision (a) or (b), claims, settlements, or judgments arising out of the activities of a judicial branch entity, as defined by Sections 900.3 and 940.3, or a judge thereof may be paid if the Judicial Council authorizes payment and the Administrative Director of the Courts certifies that sufficient funds for that payment exist from funds allocated to settlement, adjustment, and compromise of actions and claims. If sufficient funds for payment of settlements or judgments do not exist, the Administrative Director of the Courts shall report the settlements and judgments to the Chairperson of either the Senate Committee on Appropriations or the Assembly Committee on Budget, who shall cause to be introduced legislation appropriating funds for the payment of the settlements or judgments. If sufficient funds for payment of claims do not exist, the Administrative Director of the Courts shall report the claims to the California Victim Compensation and Government Claims Board, which shall have 90 days to object to payment. The Administrative Director of the Courts shall confer with the chairperson of the California Victim Compensation and Government Claims Board regarding any objection received during the 90-day period. If the California Victim Compensation and Government Claims Board withdraws the objection, or if no objection was received, the Administrative Director of the Courts shall report the claims to the Chairperson of either the Senate Committee on Appropriations or the Assembly Committee on the Budget, who shall cause to be introduced

legislation appropriating funds for the payment of the claims. The Judicial Council may authorize any committee of the Judicial Council or any employee of the Administrative Office of the Courts to perform the functions of the Judicial Council under this section. The Administrative Director of the Courts may designate an executive staff member of the Administrative Office of the Courts to perform the functions of the Administrative Director of the Courts under this section.

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

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

(2) Unless the context clearly requires otherwise, whenever the term "office of the State Chief Information Officer" appears in any statute, regulation, or contract, it shall be construed to refer to the California Technology Agency, and whenever the term "State Chief Information Officer" appears in any statute, regulation, or contract, it shall be construed to refer to the Secretary of California Technology.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12432. (a) The Legislature hereby finds and declares that it is essential for the state to replace the current automated human resource/payroll systems operated by the Controller to ensure that state employees continue to be paid accurately and on time and that the state may take advantage of new capabilities and improved business practices. To achieve this replacement of the current systems, the Controller is authorized to procure, modify, and implement a new human resource management system that meets the needs of a modern state government. This replacement effort is known as the 21st Century Project.

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

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

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

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

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

12803.6. (a) The Governor shall authorize the Secretary of the Labor and Workforce Development Agency, in collaboration with the secretary of the California Health and Human Services Agency, to make available the expertise of state employees and programs to support the employment-related needs of individuals with disabilities. Using existing resources, the agencies shall develop a sustainable, comprehensive strategy to do all of the following:

(1) Bring individuals with disabilities into gainful employment at a rate that is as close as possible to that of the general population.

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

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

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

(b) The Labor and Workforce Development Agency shall monitor and enforce implementation of Section 188 of the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2938).

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

12803.65. (a) The Governor shall rename and establish, in the California Health and Human Services Agency, Department of Rehabilitation, the existing "California Governor's Committee on Employment of People with Disabilities" as the "California Committee on Employment of People with Disabilities."

(b) (1) The California Committee on Employment of People with Disabilities shall include, but not be limited to, the following:

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

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

(C) A representative from the California Health Incentive Improvement Project.

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

(E) At the discretion of the Secretary of California Health and Human Services, representatives from any other department or program that may

have a role in increasing the capacity of state programs to support the employment-related needs of individuals with disabilities.

(F) A representative from a local one-stop or local workforce investment board, to be nominated by the California Workforce Investment Board.

(G) Three business representatives with experience in employing persons with disabilities, to be appointed by the Secretary of California Health and Human Services.

(2) The members of the California Committee on Employment of People with Disabilities shall select a chair from among the members, and shall hold open meetings no less than four times a year.

(c) The California Committee on Employment of People with Disabilities shall consult with and advise the Labor and Workforce Development Agency and the California Health and Human Services Agency on all issues related to full inclusion in the workforce of persons with disabilities, including development of the comprehensive strategy required pursuant to Section 12803.6.

(d) The California Committee on Employment of People with Disabilities shall coordinate and provide leadership, as necessary, with regard to efforts to increase inclusion in the workforce of persons with disabilities, including, but not limited to, one annual event for youth with disabilities, to the extent funding is available.

(e) The California Committee on Employment of People with Disabilities shall meet four times a year with the California Health Incentive Improvement Project and the project's steering committee, to the extent funding for the project continues and the activities of the California Committee on Employment of People with Disabilities are not inconsistent with the charge of the California Health Incentive Improvement Project.

(f) Using existing funding, the California Committee on Employment of People with Disabilities shall facilitate, promote, and coordinate collaborative dissemination of information on employment supports and benefits, which shall include the Ticket to Work program and health benefits, to individuals with disabilities, consumers of public services, employers, service providers, and state and local agency staff.

(g) Using existing funding, the California Committee on Employment of People with Disabilities shall receive primary administrative and staff support from the Department of Rehabilitation, subject to funding from the Employment Development Department.

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

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

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

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

(B) Cooperate in international public infrastructure projects.

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

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

(2) Nothing in this chapter shall be construed to confer powers or impose duties upon the agency in conflict with any powers conferred or duties imposed upon the Department of Food and Agriculture with respect to the promotion of California agriculture, fish, and forest exports.

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

(c) The Secretary of Business, Transportation and Housing shall develop an international trade and investment policy and shall provide guidance to strategies and plans from other agencies and departments related to workforce and infrastructure development.

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

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

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

13996.55. (a) The Secretary of Business, Transportation and Housing shall provide to the Legislature, not later than February 1, 2008, a strategy for international trade and investment that, at a minimum, includes all of the following:

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

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

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

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

(5) Identification of options for funding recommended actions.

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

(b) In the course of developing the strategy, the secretary shall also consult with other agencies, boards, and commissions that have statutory responsibilities related to workforce development, infrastructure, business, and international trade and investment including, but not limited to, the California Commission on Industrial Innovation, the Office of the Small Business Advocate, the California Transportation Commission, the California Community Colleges, the University of California, the California State University, the Workforce Investment Board, the Employment Training Panel, and the California Energy Commission.

(c) The strategy shall be submitted to the Chief Clerk of the Assembly and the Secretary of the Senate. A copy of the strategy shall be provided to

the Speaker of the Assembly, the President pro Tempore of the Senate, and the chairs of the Assembly Committee on Jobs, Economic Development, and the Economy and the Senate Committee on Business, Professions and Economic Development, or the successor committees with jurisdiction over international trade and economic development programs.

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

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

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

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

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

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

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

(c) The business partnership shall advise the secretary on business needs and strategy priorities as they relate to international trade and investment.

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

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

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

(b) Prior to a city submitting an application to the commission to update its sphere of influence, representatives from the city and representatives from the county shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and county, the city shall forward the agreement in writing to the commission, along with the application to update the sphere of influence. The commission shall consider and adopt a sphere of influence

for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement to the extent that it is consistent with commission policies in its final determination of the city sphere.

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

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

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

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

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

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

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

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

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

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

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

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

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

63000. The Legislature finds and declares the following:

(a) Economic revitalization, future development, and a healthy climate for jobs in California will depend upon a well-conceived system of public

improvements that are essential to the economic well-being of the citizens of the state and are necessary to maintain, as well as create, employment within the state for business.

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

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

(d) In order to secure and enhance the economic well-being of Californians, promote economic development in the state, and provide a healthy climate for the creation of jobs, it is necessary for public policy to support the efforts of expanding businesses, businesses seeking to locate in California, local development organizations, public bodies, and new entrepreneurs to gain access to capital through current and potential operations of financial markets.

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

(f) The problem of access to capital is acute in the high technology industry clusters because companies must often finance large capital expenditures early in their development cycle, and cannot obtain financing sufficient to cover the cost of those expenditures. Consideration should be given to industry clusters that may include the following:

- (1) Health care technology.
- (2) Multimedia.
- (3) Environmental technology.
- (4) Information technology.

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

- (1) Use the state's access to capital markets more effectively for economic development.
- (2) Create financing pools to access national capital markets or help government sponsors and public-private economic development organizations obtain credit enhancement on their own.
- (3) Facilitate credit enhancement for selected specific projects.
- (4) Provide or arrange for loan insurance.
- (5) Create and support secondary markets for loan portfolios of urban and rural economic development corporations and others.
- (6) Improve access to international capital markets.
- (7) Provide opportunities for public pension funds and other institutional investors to play a larger role in state economic development.

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

(9) Increase support for local infrastructure development.

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

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

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

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

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

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

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

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

(b) The regulations adopted by the director shall include specifications for eligibility of participation, rates of compensation, and procedures for

seeking compensation. The regulations shall require that the person or organization demonstrate a record of advocacy on behalf of health care consumers in administrative or legislative proceedings in order to determine whether the person or organization represents the interests of consumers.

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

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

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

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

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

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

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

(g) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

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

1275. (a) Unemployment compensation benefit award computations shall be based on wages paid in the base period. "Base period" means: for benefit years beginning in October, November, or December, the four calendar quarters ended in the next preceding month of June; for benefit years beginning in January, February, or March, the four calendar quarters ended in the next preceding month of September; for benefit years beginning in April, May, or June, the four calendar quarters ended in the next preceding month of December; for benefit years beginning in July, August, or September, the four calendar quarters ended with the next preceding month of March. Wages used in the determination of benefits payable to an individual during any benefit year may not be used in determining that individual's benefits in any subsequent benefit year.

(b) For any new claim filed on or after April 2, 2012, or earlier if the department implements the technical changes necessary to establish claims under the alternate base period, as specified in subdivision (c), if an individual cannot establish a claim under subdivision (a), then "base period" means: for benefit years beginning in October, November, or December, the four calendar quarters ended in the next preceding month of September; for benefit years beginning in January, February, or March, the four calendar quarters ended in the next preceding month of December; for benefit years

beginning in April, May, or June, the four calendar quarters ended in the next preceding month of March; for benefit years beginning in July, August, or September, the four calendar quarters ended in the next preceding month of June. As provided in Section 1280, the quarter with the highest wages shall be used to determine the individual's weekly benefit amount. Wages used in the determination of benefits payable to an individual during any benefit year may not be used in determining that individual's benefits in any subsequent benefit year.

(c) The department shall implement the technical changes necessary to establish claims under the alternate base period specified in subdivision (b) as soon as possible, but no later than April 2, 2012.

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

10205. The panel shall do all of the following:

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

(1) Labor market information, including the state-local labor market information program in the Employment Development Department and other relevant regional or statewide initiatives and collaboratives.

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

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

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

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

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

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

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

(2) The identification of specific industries, production and quality control techniques, and regions of the state where employment training funds would most benefit the state's economy and plans to encourage training in these areas, including specific standards and a system for expedited review of proposals that meet the standards.

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

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

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

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

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

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

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

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

(1) An employer or group of employers.

(2) A training agency.

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

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

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

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

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

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

(g) Provide for evaluation of projects funded by this chapter. The evaluations shall assess the effectiveness of training previously funded by the panel to improve job security and stability for workers, and benefit participating employers and the state's economy, and shall compare the wages of trainees in the 12-month period prior to training as well as the 12-month period subsequent to completion of training, as reflected in the department's unemployment insurance tax records. Individual project evaluations shall contain a summary description of the project, the number of persons entering training, the number of persons completing training, the number of persons employed at the end of the project, the number of persons still employed three months after the end of the project, the wages paid, the total costs of the project, and the total reimbursement received from the Employment Training Fund.

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

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

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

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

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

(5) Results of complete project evaluations.

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

(7) A listing of training projects that were funded in high unemployment areas and a detailed description of the policies and procedures that were

used to designate geographic regions and municipalities as high unemployment areas.

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

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

(j) Expedite the processing of contracts for firms considering locating or expanding businesses in the state, in accordance with the priorities for employment training programs set forth in subdivision (b) of Section 10200.

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

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

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

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

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

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

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

(2) Provides data and information for continuous strategic planning and the development of policies for the growth and competitiveness of the California economy.

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

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

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

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

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

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

(b) A majority of board members shall be representatives of business who:

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

(2) Represent businesses with employment opportunities that reflect the employment opportunities of the state.

(3) Are appointed from a group of individuals nominated by state business organizations and business trade associations.

(c) Chief elected officials representing both cities and counties, where appropriate.

(d) Representatives of labor organizations that are appointed to the board by the Governor shall have been nominated by state labor federations. At least 15 percent of board members shall be representatives of labor organizations.

(e) Representatives of individuals and organizations that have experience with regard to youth activities.

(f) Representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including the Chancellor of the California Community Colleges, representatives of

school districts, and representatives of community-based organizations within the state.

(g) The lead state agency officials with responsibility for the programs, services, or activities that are mandatory participants in the one-stop system, or, where there are no lead state agency officials responsible for those programs, services, or activities, a representative with expertise relating to those programs, services, or activities.

(h) Any other representatives and state agency officials as the Governor may designate, such as the state agency officials responsible for economic development and juvenile justice programs in the state.

(i) Members of the board that represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within those organizations, agencies, or entities.

(j) In making appointments to the board, the Governor shall consider the ethnic, race, gender, and geographic distribution of the state's population, and members of the board shall represent diverse regions of the state, including urban, rural, and suburban areas.

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

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

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

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

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

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

(3) California's green economy is about the potential of new technologies combined with innovative public policy and strategic investments to stimulate the growth of new markets for green products and services.

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

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

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

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

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

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

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