

AMENDED IN ASSEMBLY JANUARY 4, 2012

AMENDED IN ASSEMBLY AUGUST 15, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1233

Introduced by Assembly Member V. Manuel Pérez

February 18, 2011

An act to add Sections 15570 and 15572 to Article 6 (commencing with Section 12098.8) to Chapter 1.6 of Division 3 of Title 2 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1233, as amended, V. Manuel Pérez. State government: economic development.

Existing law establishes the Governor's Office of Business and Economic Development, within the Governor's office, to be administered by a director appointed by the Governor. The office serves the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office exercises powers related to economic development, including, among others, making recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would require the director, in consultation with the Secretary of Labor and Workforce Development, to prepare a California Economic and Workforce Development Strategy, as specified, to be updated every 5 years. The bill would require the strategy to make recommendations regarding an economic and workforce development blueprint for the

state covering a 5-year time period. The bill would require the director to consult with certain agencies in preparing the blueprint, and would require the blueprint to address certain topics.

This bill would declare that it is to take effect immediately as an urgency statute.

~~(1) Existing law establishes the Labor and Workforce Development Agency in state government, and provides that the Secretary of Labor and Workforce Development, the executive officer of the agency, is directly responsible to the Governor for the operations of each department, office, and unit within the agency.~~

~~This bill would require the secretary to prepare a California Economic and Workforce Development Strategy, as specified, to be updated every 5 years. The bill would require the secretary to undertake this process anew in each succeeding 5-year cycle in order to update the economic strategy prior to October 31 of each succeeding 5th year.~~

~~This bill would authorize the strategy to meet all or a portion of other state-level strategies, require the strategy to make recommendations regarding an economic development plan for the state covering a 5-year period, and require the strategy to contain specified items. The bill would require the secretary to lead the preparation of the strategy, and authorize the secretary to call on the assistance of the California Workforce Investment Board in fulfilling this duty. The bill would also require the secretary to prepare a preliminary strategy, to post that document on the agency's Internet Web site, and to submit written notice of that document's posting to the relevant policy and fiscal committees of each house of the Legislature by July 1, 2013. This bill would also require the relevant policy and fiscal committees of each house of the Legislature to review the preliminary strategy and hold hearings regarding the preliminary strategy, as specified. The bill would require the secretary to prepare the final version of the strategy within 2 months of the final hearing held by a policy or fiscal committee of either house of the Legislature on the preliminary strategy.~~

~~(2) This bill would require the Secretary of Labor and Workforce Development to create an assessment addressing specified considerations. The bill would also require the secretary to review the strategy within 5 years of the date of its finalization, and every 5 years thereafter, and to make recommendations on how to update the strategy.~~

~~(3) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Article 6 (commencing with Section 12098.8) is
2 added to Chapter 1.6 of Division 3 of Title 2 of the Government
3 Code, to read:

4
5 Article 6. State Economic and Workforce Development Strategy
6

7 12098.8. (a) The director, in consultation with the Secretary
8 of Labor and Workforce Development, shall prepare the California
9 Economic and Workforce Development Strategy. In fulfilling this
10 requirement, the director and the secretary shall be assisted by
11 the California Workforce Investment Board, established pursuant
12 to Article 1 (commencing with Section 14010) of Chapter 3 of
13 Division 7 of the Unemployment Insurance Code. The California
14 Economic and Workforce Development Strategy may serve to meet
15 all or a portion of other state-level strategies, including, but not
16 limited to, the state plan required by the federal Workforce
17 Investment Act (Public Law 105-220).

18 (b) The strategy shall make recommendations regarding an
19 economic and workforce development blueprint for the state
20 covering a five-year time period, and shall contain all of the
21 following:

22 (1) A statement of economic goals and objectives for the state.

23 (2) A prioritized list of significant issues facing the economy of
24 the state and how these issues and trends could be impediments
25 to achieving the goals, objectives, and recommendations in the
26 blueprint.

27 (3) An evaluation of the effectiveness of the state's existing
28 economic development programs in creating and retaining jobs,
29 improving productivity, increasing innovation, providing 21st
30 century workforce skills, and attracting industries providing
31 employment within the state's core and emerging industry clusters.

32 (4) An evaluation of the adequacy of state and local physical,
33 electronic, and human infrastructure, including skills relating to
34 digital technology, to meet the state's current and future needs,
35 and a discussion of the appropriate role for state government to

1 *improve inadequacies identified in the state’s physical, electronic,*
2 *and human infrastructure.*

3 (5) *A list of key industries in which the state shall focus its*
4 *economic development efforts, including industries where the state*
5 *has a current dominant position, and industries where the state*
6 *has an emerging presence within the United States and global*
7 *economies. This list shall be based on current local and regional*
8 *priorities of the state’s nine economic regions.*

9 (6) *Recommendations for legislation, regulations, and*
10 *administrative reforms that are necessary to improve the business*
11 *climate and economy of the state and meet the state’s economic*
12 *goals and objectives. The recommendations shall address how all*
13 *state entities have economic and workforce development-related*
14 *responsibilities or authorities that impact economic and workforce*
15 *activities in the state can foster greater economic property for all*
16 *areas of the state, including historically underserved areas, such*
17 *as those along the state’s borders, rural areas, and within its inner*
18 *cities. The recommendations shall support regional economic*
19 *development efforts, small and microbusiness development, private*
20 *investment especially in emerging domestic markets, workforce*
21 *development among all worker skill levels, and California*
22 *businesses accessing global markets.*

23 (7) *Measurable outcomes and timelines for implementing the*
24 *goals, objectives, and recommendations of the strategy.*

25 (8) *An identification of key stakeholder partnerships to use in*
26 *implementing the recommendations.*

27 (9) *An identification of options for funding the goals, objectives,*
28 *and recommendations.*

29 (c) *The blueprint shall be based on existing and current*
30 *assessments completed by relevant state, federal, local, and*
31 *regional public and private organizations. As part of their*
32 *deliberations in preparing the strategy, the director and the*
33 *secretary shall do all of the following:*

34 (1) *Consult with other state entities, including, but not limited*
35 *to, all of the following:*

36 (A) *The California Transportation Commission.*

37 (B) *The California Workforce Investment Board.*

38 (C) *The Small Business Council on Procurement.*

39 (D) *The Treasurer.*

40 (E) *The California Organized Investment Network.*

- 1 (F) *The Department of Insurance.*
2 (G) *The California Infrastructure and Economic Development*
3 *Bank.*
4 (H) *The State Energy Resources Conservation and Development*
5 *Commission.*
6 (2) *Review relevant background, findings, and recommendations*
7 *of all of the following:*
8 (A) *The California Transportation Plan, required to be updated*
9 *pursuant to Chapter 2.3 (commencing with Section 65070) of*
10 *Division 1 of Title 7, including those portions related to trade*
11 *infrastructure and the movement of goods.*
12 (B) *The international and foreign investment strategies of state*
13 *and local governments.*
14 (C) *The State Environmental Goals and Policy Report, prepared*
15 *pursuant to Article 5 (commencing with Section 65041) of Chapter*
16 *1.5 of Title 7.*
17 (D) *The five-year plan for funding infrastructure, prepared*
18 *pursuant to Article 2 (commencing with Section 13100) of Chapter*
19 *2 of Part 3.*
20 (E) *The state workforce strategy submitted as a condition of*
21 *receiving funding pursuant to the federal Workforce Investment*
22 *Act of 1998 (29 U.S.C. Sec. 2938).*
23 (F) *The workforce strategies developed by the Employment*
24 *Training Panel of the California Community Colleges.*
25 (G) *The goods movement strategy developed by the Department*
26 *of Transportation.*
27 (d) (1) *The director and the secretary shall prepare a*
28 *preliminary California Economic and Workforce Strategy, post*
29 *that document on the Cal-BIZ and the agency's Internet Web sites,*
30 *and submit written notice of that document's posting to the relevant*
31 *policy and fiscal committees of each house of the Legislature by*
32 *July 1, 2013.*
33 (2) *Development of the preliminary strategy pursuant to this*
34 *subdivision shall be funded from nonstate funds and private*
35 *donations.*
36 (e) *The relevant policy and fiscal committees of each house of*
37 *the Legislature shall review the preliminary strategy and hold*
38 *hearings regarding the preliminary strategy within 90 days of the*
39 *date that notice of that document's posting is sent to the relevant*
40 *policy and fiscal committees of each house of the Legislature.*

1 (f) (1) Within two months of the final hearing held by a policy
2 or fiscal committee of either house of the Legislature regarding
3 the preliminary strategy, the director and the secretary shall
4 prepare the final version of the strategy.

5 (2) Upon the final strategy's completion, the director, the
6 secretary, the Secretary of Business, Transportation and Housing,
7 and the Secretary of Food and Agriculture shall post the
8 preliminary and final strategies on each of their agencies' Internet
9 Web sites.

10 (3) The director and the secretary shall submit written notice
11 of the completion of the final strategy and its posting to the agency
12 Internet Web sites specified in paragraph (2), to the relevant policy
13 and fiscal committees of the Legislature, as well as every state
14 agency, office, board, and commission having economic and
15 workforce development responsibilities.

16 (g) In each succeeding five-year cycle, the director and the
17 secretary shall update the strategy, pursuant to the procedures set
18 forth in this section, on or before October 31 of each succeeding
19 fifth year. This subdivision shall not prohibit the secretary from
20 reviewing or making recommendations on how to update the
21 strategy more frequently.

22 SEC. 2. This act is an urgency statute necessary for the
23 immediate preservation of the public peace, health, or safety within
24 the meaning of Article IV of the Constitution and shall go into
25 immediate effect. The facts constituting the necessity are:

26 In order to preserve the public peace, health, and safety through
27 the encouragement of economic development throughout the state's
28 economic regions, it is necessary that this act take effect
29 immediately.

30 SECTION 1. ~~Section 15570 is added to the Government Code,~~
31 ~~to read:~~

32 ~~15570. (a) The secretary shall prepare the California Economic~~
33 ~~and Workforce Development Strategy. In fulfilling this~~
34 ~~requirement, the secretary shall be assisted by the California~~
35 ~~Workforce Investment Board, established pursuant to Article 1~~
36 ~~(commencing with Section 14010) of Chapter 3 of Division 7 of~~
37 ~~the Unemployment Insurance Code. The California Economic and~~
38 ~~Workforce Development Strategy may serve to meet all or a portion~~
39 ~~of other state-level strategies, including, but not limited to, the~~

1 state plan required by the federal Workforce Investment Act (Public
2 Law 105-220).

3 ~~(b) The strategy shall make recommendations regarding an
4 economic development strategic plan for the state covering a
5 five-year time period, and shall contain all of the following:~~

6 ~~(1) A statement of economic goals for the state.~~

7 ~~(2) A prioritized list of significant issues facing the economy
8 of the state.~~

9 ~~(3) Proposals for legislation, regulations, and administrative
10 reforms necessary to improve the business climate and economy
11 of the state.~~

12 ~~(4) An evaluation of the effectiveness of the state's economic
13 development programs.~~

14 ~~(5) A list of key industries in which the state shall focus its
15 economic development efforts.~~

16 ~~(6) Strategies to foster job growth and economic development
17 covering all state agencies, offices, boards, and commissions that
18 have economic development responsibilities.~~

19 ~~(e) Based on assessments completed by relevant state, federal,
20 local, and regional public and private organizations, the strategy
21 shall also include, at a minimum, all of the following components:~~

22 ~~(1) Policy goals, objectives, and recommendations necessary
23 to implement a comprehensive economic and workforce
24 development strategic plan for the state, identifying the priority
25 for each within the overall strategy.~~

26 ~~(2) Measurable outcomes and timelines for implementing the
27 goals, objectives, and recommendations of the strategy, showing
28 the way in which key policy development and implementation
29 efforts are coordinated with emerging issues.~~

30 ~~(3) An identification of impediments to achieving the goals,
31 objectives, and recommendations described in paragraph (1) and
32 the way in which they will delay the state's ability to improve its
33 competitive position.~~

34 ~~(4) An identification of key stakeholder partnerships to use in
35 implementing the recommendations.~~

36 ~~(5) An identification of options for funding the goals, objectives,
37 and recommendations described in paragraph (1).~~

38 ~~(6) An identification of an organizational structure for the
39 implementation of the policies, programs, and services
40 recommended in the strategy.~~

1 ~~(d) (1) The secretary shall prepare a preliminary California~~
2 ~~Economic and Workforce Strategy, post that document on the~~
3 ~~agency's Internet Web site, and submit written notice of that~~
4 ~~document's posting to the relevant policy and fiscal committees~~
5 ~~of each house of the Legislature by July 1, 2013.~~

6 ~~(2) Development of the preliminary strategy pursuant to this~~
7 ~~subdivision shall be funded from private donations.~~

8 ~~(e) The relevant policy and fiscal committees of each house of~~
9 ~~the Legislature shall review the preliminary strategy and hold~~
10 ~~hearings regarding the preliminary strategy within 90 days of the~~
11 ~~date that notice of that document's posting is sent to the relevant~~
12 ~~policy and fiscal committees of each house of the Legislature.~~

13 ~~(f) (1) Within two months of the final hearing held by a policy~~
14 ~~or fiscal committee of either house of the Legislature regarding~~
15 ~~the preliminary strategy, the secretary shall prepare the final version~~
16 ~~of the strategy.~~

17 ~~(2) Upon the final strategy's completion, the Secretary of Labor~~
18 ~~and Workforce Development, the Secretary of Business,~~
19 ~~Transportation and Housing, and the Secretary of Food and~~
20 ~~Agriculture shall post the preliminary and final strategies on each~~
21 ~~of their agencies' Internet Web sites.~~

22 ~~(3) The Secretary of Labor and Workforce Development shall~~
23 ~~submit written notice of the completion of the final strategy and~~
24 ~~its posting to the agency Internet Web sites specified in paragraph~~
25 ~~(2) to the relevant policy and fiscal committees of the Legislature~~
26 ~~as well as every state agency, office, board, and commission having~~
27 ~~economic and workforce development responsibilities.~~

28 ~~(g) In each succeeding five-year cycle, the secretary shall update~~
29 ~~the strategy, pursuant to the procedures set forth in this section,~~
30 ~~on or before October 31 of each succeeding fifth year.~~

31 ~~SEC. 2. Section 15572 is added to the Government Code, to~~
32 ~~read:~~

33 ~~15572. (a) As part of its deliberations in preparing the~~
34 ~~California Economic and Workforce Development Strategy, the~~
35 ~~Secretary of Labor and Workforce Development shall create an~~
36 ~~assessment addressing all of the following considerations:~~

37 ~~(1) The strengths and weaknesses of the state's economy within~~
38 ~~a regional, national, and global context, and the state's prospects~~
39 ~~for future economic prosperity, identifying industries and~~
40 ~~businesses in each of the state's nine regional economies that are~~

1 significant in 2012, and those that are likely to be significant in
2 2021.

3 (2) ~~The current and emerging economic trends, areas in which
4 the state has a comparative advantage to other states and foreign
5 countries, and key opportunities for strategic alliances with other
6 states and foreign countries.~~

7 (3) ~~The effectiveness of the state's economic and workforce
8 development programs in creating and retaining jobs, improving
9 productivity, increasing innovation, providing 21st century
10 workforce skills, and attracting industries providing employment
11 within the state's core and emerging industry clusters.~~

12 (4) ~~The ways in which private resources, including, but not
13 limited to, investor networks, may be more effectively leveraged
14 to attract additional private investment within the state's
15 communities and small businesses.~~

16 (5) ~~The adequacy of state and local physical, electronic, and
17 human infrastructure, including skills relating to digital technology,
18 to meet the state's current and future needs, and a discussion of
19 the appropriate role for state government to improve inadequacies
20 identified in the state's physical, electronic, and human
21 infrastructure.~~

22 (6) ~~Government impediments to economic development.~~

23 (7) ~~The role of innovation in keeping the state's regional
24 economies vibrant, including models and strategies that encourage
25 partnerships among public, academic, and private entities, located
26 in this state or other states, that support the state's core and
27 emerging industries.~~

28 (8) ~~The unique opportunities and challenges in developing
29 businesses and attracting investment along the state's border areas
30 and in emerging domestic markets.~~

31 (9) ~~A review of significant literature by the federal government,
32 state governments, foreign countries, and international associations
33 concerning competitive advantages.~~

34 (b) ~~As part of its deliberations in preparing the strategy, the
35 secretary shall do all of the following:~~

36 (1) ~~Consult with other state entities, including, but not limited
37 to, all of the following:~~

38 (A) ~~The California Transportation Commission.~~

39 (B) ~~The California Workforce Investment Board.~~

40 (C) ~~The Small Business Council on Procurement.~~

- 1 ~~(D) The office of the Treasurer.~~
- 2 ~~(E) The California Organized Investment Network.~~
- 3 ~~(F) The Department of Insurance.~~
- 4 ~~(G) The California Infrastructure and Economic Development~~
- 5 ~~Bank.~~
- 6 ~~(H) The State Energy Resources Conservation and Development~~
- 7 ~~Commission.~~
- 8 ~~(2) Review relevant background, findings, and recommendations~~
- 9 ~~of all of the following:~~
- 10 ~~(A) The California Transportation Plan, required to be updated~~
- 11 ~~pursuant to Chapter 2.3 (commencing with Section 65070) of~~
- 12 ~~Division 1 of Title 7, including those portions related to trade~~
- 13 ~~infrastructure and the movement of goods.~~
- 14 ~~(B) The international and foreign investment strategies of state~~
- 15 ~~and local governments.~~
- 16 ~~(C) The State Environmental Goals and Policy Report, prepared~~
- 17 ~~pursuant to Article 5 (commencing with Section 65041) of Chapter~~
- 18 ~~1.5 of Title 7.~~
- 19 ~~(D) The five-year plan for funding infrastructure, prepared~~
- 20 ~~pursuant to Article 2 (commencing with Section 13100) of Chapter~~
- 21 ~~2 of Part 3 of Division 3 of Title 2.~~
- 22 ~~(E) The state workforce strategy submitted as a condition of~~
- 23 ~~receiving funding pursuant to the federal Workforce Investment~~
- 24 ~~Act of 1998 (29 U.S.C. Sec. 2938).~~
- 25 ~~(F) The workforce strategies developed by the Employment~~
- 26 ~~Training Panel and the California Community Colleges.~~
- 27 ~~(e) The secretary shall review the California Economic and~~
- 28 ~~Workforce Development Strategy within five years after the date~~
- 29 ~~it is finalized, and every five years thereafter, and make~~
- 30 ~~recommendations on how to update the strategy as the secretary~~
- 31 ~~deems appropriate. Nothing in this subdivision shall prohibit the~~
- 32 ~~secretary from reviewing or making recommendations on how to~~
- 33 ~~update the strategy more frequently.~~
- 34 ~~SEC. 3. This act is an urgency statute necessary for the~~
- 35 ~~immediate preservation of the public peace, health, or safety within~~
- 36 ~~the meaning of Article IV of the Constitution and shall go into~~
- 37 ~~immediate effect. The facts constituting the necessity are:~~
- 38 ~~In order to preserve the public peace, health, and safety through~~
- 39 ~~the encouragement of economic development throughout the state's~~

1 ~~economic regions, it is necessary that this act take effect~~
2 ~~immediately.~~

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