

AMENDED IN ASSEMBLY APRIL 8, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 2674

Introduced by Assembly Member Morrissey

February 22, 1996

An act to amend Sections 15379.15 and 15379.16 of, *and to add Section 15379.17 to*, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2674, as amended, Morrissey. Manufacturing technology grants.

Existing law establishes the Manufacturing Technology Program within the Trade and Commerce Agency, for the purpose of providing matching grants and technical assistance to California nonprofit organizations and public agencies to perform various functions relating to the development of manufacturing technology in the state. Pursuant to the program, grants are awarded on a competitive basis to eligible applicants.

This bill would provide that the Manufacturing Technology Program consists of the ~~Target Technology~~ *California Manufacturing Excellence* Program and the ~~Federal Match Grants~~ *Manufacturers Technology Matching Grant* Program. It would provide that the ~~Target Technology~~ *California Manufacturing Excellence* Program would award the grants provided for by existing law, ~~and would provide that the Federal Match Grants Program would award grants at a parity~~

~~level with other large industrial state grant programs to meet matching requirements for federal grant projects aimed at enhancing the competitiveness of California manufacturing. It would specify that all funds appropriated for the Manufacturing Technology Program shall be evenly divided between the Target Technology Program and the Federal Match Grants Program in a specified order of priority. It would provide that the Manufacturers Technology Program would award grants, based on a competitive process, to California-based small- and medium-sized manufacturers, as defined, nonprofit agencies, and consortia of small- and medium-sized business and nonprofit agencies.~~

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

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

1 SECTION 1. (a) *It is the intent of the Legislature*
 2 *that state government shall, through an industry-driven*
 3 *process, aid in the development of an effective*
 4 *manufacturing improvement infrastructure that*
 5 *encourages and supports the successful establishment,*
 6 *improvement, and growth of small manufacturers*
 7 *throughout the state. This infrastructure shall encourage*
 8 *the integration and communication of public and private*
 9 *resources to meet the needs of the manufacturing*
 10 *community. This infrastructure shall support regional*
 11 *collaboration to deliver manufacturing improvement*
 12 *services between the state’s manufacturing extension*
 13 *centers, regional technology alliances, higher education*
 14 *community, vocational education programs,*
 15 *manufacturing-related training programs, and other*
 16 *relevant public and private programs in a timely and*
 17 *effective manner.*

18 (b) *It is the further intent of the Legislature to*
 19 *encourage the California Council on Science and*
 20 *Technology to develop recommendations for the most*
 21 *effective and efficient way for the state to organize its*
 22 *delivery of technology services to California’s industrial*
 23 *base, especially to its small- and medium-sized*



1 *manufacturers. In developing these recommendations,*
2 *the council should study the experiences of other states*
3 *and use a systematic process to listen to the needs of*
4 *industry.*

5 *SEC. 2.* Section 15379.15 of the Government Code is
6 amended to read:

7 15379.15. There is hereby established within the
8 agency the Manufacturing Technology Program;
9 ~~consisting of the Target Technology Program and the~~
10 ~~Federal Match Grants Program administered pursuant to~~
11 ~~Section 15379.16.~~ The program shall provide matching
12 grants and technical assistance to California nonprofit
13 organizations ~~and public agencies,~~ *businesses, consortia,*
14 *and public agencies. The program shall consist of the*
15 *following two grant programs:*

16 (a) *The California Manufacturing Excellence*
17 *Program, which shall provide matching grants pursuant*
18 *to the requirements set forth in Section 15379.16 to*
19 *nonprofit and public agencies and industry associations to*
20 *perform one or more of the following functions:*

21 ~~(a)~~

22 (1) Establish and fund a California manufacturers
23 excellence program.

24 ~~(b)~~

25 (2) Develop and disseminate an inventory of
26 resources available to assist manufacturers.

27 ~~(c)~~

28 (3) Implement a strategy for addressing needs
29 identified in the statewide California Manufacturing
30 Excellence Program Plan, given available resources.

31 ~~(d)~~

32 (4) Projects resulting in consortia partnership or
33 alliances for manufacturing technology.

34 ~~SEC. 2.~~

35 (b) *The Manufacturers Technology Matching Grant*
36 *Program, which shall provide matching grants pursuant*
37 *to the selection process described in Sections 8449, 8450,*
38 *8451, 8452, 8453, 8454, 8456, and 15379.17, and technical*
39 *assistance to California nonprofit organizations, public*



1 agencies, consortia, and manufacturers for projects
2 qualifying for federal funds.

3 SEC. 3. Section 15379.16 of the Government Code is
4 amended to read:

5 ~~15379.16. (a) The Target Technology Program,~~
6 ~~within the Manufacturing Technology Program, shall~~
7 ~~award grants~~

8 *15379.16. (a) Grant awards under the California*
9 *Manufacturing Excellence Program shall be based upon*
10 *a competitive application process addressing the project's*
11 *eligibility, a review of the proposal's scientific and*
12 *technological aspects, and ability to fulfill the goals of the*
13 *program. Priority in awarding grants shall be given to*
14 *those projects that will use the grant funds as matching*
15 *funds for a federal grant, projects with additional sources*
16 *of funding, projects involving geographic areas or*
17 *manufacturing segments targeted by the agency, and*
18 *projects satisfying any other criteria developed by the*
19 *agency. An example of a project is a joint effort by federal*
20 *laboratories, universities, and private companies to*
21 *research and develop advanced manufacturing*
22 *technologies that would significantly reduce the health,*
23 *safety, and environmental hazards of an existing*
24 *manufacturing process.*

25 ~~(b) The Federal Match Grants Program, within the~~
26 ~~Manufacturing Technology Program, shall award grants~~
27 ~~at a parity level with other large industrial state grant~~
28 ~~programs to meet matching requirements for federal~~
29 ~~grant projects aimed at enhancing the competitiveness of~~
30 ~~California manufacturing and thereby increasing~~
31 ~~employment and the standard of living. Grants shall be~~
32 ~~awarded based upon a competitive application process~~
33 ~~addressing the project's eligibility, a review of the~~
34 ~~proposal's scientific and technological aspects, and ability~~
35 ~~to fulfill the goals of the program.~~

36 ~~(e) All funds appropriated for the Manufacturing~~
37 ~~Technology Program shall be evenly divided between~~
38 ~~the Target Technology Program and the Federal Match~~
39 ~~Grants Program.~~



1 (b) Awards shall be granted for projects in the
2 following order of priority:

3 (1) Successful projects that have competed for and
4 received a federal grant that is contingent upon the
5 provision of matching funds.

6 (2) Projects that will use the grant funds as matching
7 funds for a federal grant.

8 (3) Projects with additional sources of funding.

9 (4) Projects involving geographic areas or
10 manufacturing segments targeted by the agency.

11 (5) Projects satisfying any other criteria developed by
12 the agency.

13 (c) An example of projects to be considered is
14 manufacturing extension efforts by nonprofit agencies or
15 organizations to enhance productivity, quality, and
16 efficiency of manufacturers to increase overall
17 competitiveness.

18 SEC. 4. Section 15379.17 is added to the Government
19 Code, to read:

20 15379.17. (a) The Manufacturers Technology
21 Matching Grant Program is established to enhance
22 California's competitiveness by assisting small- and
23 medium-sized manufacturers within the state. Grants
24 awarded pursuant to this program shall be based on a
25 competitive process and shall be made to
26 California-based small- and medium-sized
27 manufacturers, nonprofit agencies, and consortia of small
28 and medium-sized business and nonprofit agencies. A
29 public or private university or community college may
30 not function as a lead in a proposal for any funds under
31 this program.

32 (b) An example of a project to be considered is a joint
33 effort by federal laboratories, universities, and private
34 companies to research and develop advanced
35 manufacturing technologies that would significantly
36 reduce the health, safety, and environmental hazards of
37 an existing manufacturing process.

38 (c) For purposes of this section, a "small- and
39 medium-sized manufacturer" means a manufacturer



1 *located within the state that has fewer than 500*
2 *employees.*

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