

Senate Bill No. 1099

CHAPTER 425

An act to add and repeal Article 3.7 (commencing with Section 15346) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code, relating to defense conversion.

[Approved by Governor September 16, 1999. Filed
with Secretary of State September 16, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1099, Knight. California Defense Retention and Conversion Act of 1999.

Existing law provides for various activities in regard to defense conversion and military base retention and reuse efforts in the state.

This bill would enact, until January 1, 2007, the California Defense Retention and Conversion Act of 1999, to establish the California Defense Retention and Conversion Council in the Trade and Commerce Agency. The bill would set forth the membership and duties of the council in regard to defense retention and conversion and military base reuse activities in the state, including specified activities developed by the former California Defense Conversion Council. This bill would require the council to prepare a study considering strategies for the long-term protection of lands adjacent to military bases and to submit to the Governor and the Legislature a report on the study with any recommendations. It would require the Trade and Commerce Agency to establish a Defense Retention Grant Program, with input and assistance from the council.

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

SECTION 1. Article 3.7 (commencing with Section 15346) is added to Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

Article 3.7. California Defense Retention and Conversion Act of
1999

15346. This article shall be known and may be cited as the California Defense Retention and Conversion Act of 1999.

15346.1. The Legislature finds and declares as follows:

(a) For over half a century, California's industries, universities, businesses, and workers have contributed to our nation's defense, utilizing their capital, talents, and skills to develop and bring to



production important new technologies and advanced weapons systems, aircraft, and missiles.

(b) Defense spending in California peaked at sixty billion dollars (\$60,000,000,000) in 1988. Since then, it has decreased by 16 percent with the resulting loss of 126,000 jobs. The Commission on State Finance projected a further 22 percent reduction to thirty-seven billion dollars (\$37,000,000,000) in 1997, with a loss of another 81,000 jobs. California is expected to experience the most severe impact of defense cuts since 1994.

(c) California has experienced four rounds of base closures resulting in the closure or realignment of 29 bases since 1988. Additional bases may be considered for closure in future closure rounds.

(d) California lost more federal payroll jobs from its 29 military base closures under rounds one to four, inclusive, than all of the rest of the states put together. The reduced military payroll, including military and civilian employees, in California is approximately 101,000 jobs. About 300,000 private sector defense industry jobs in California have been lost.

(e) California needs a focused, coordinated defense retention and conversion program within the state in order to protect the existing defense installations and facilities within the state and to assist those communities that have experienced an installation's closing.

(f) Currently, there are over 300,000 active duty and civilian defense personnel in California.

(g) The direct Department of Defense expenditures in California are over thirty billion dollars (\$30,000,000,000) for employees, contracts, and capital investment.

(h) California has over 36 major and 25 minor active military installations.

(i) The Department of Defense pays ten million dollars (\$10,000,000) annually in fees, permits, and licenses within the state.

(j) Having been the leader in the nation's defense effort, the state must now also assume the role as leader in defending existing military installations within its borders. That role will require a coordinated effort to ensure that California promotes the necessity of existing defense facilities, assist local governments and organizations in planning retention efforts, and design and implement a single unified plan for active defense retention efforts on the federal level.

(k) It is the intent of the Legislature that the state's role in defense retention, conversion, and military base reuse be consolidated in the Trade and Commerce Agency.

15346.2. The Legislature recognizes the potential for federal legislation to close additional military installations nationwide. In an effort to be proactive in retaining these facilities within California that are necessary for the defense of the nation and to provide for a single, focused defense of these installations, the California Defense



Retention and Conversion Council is hereby created in the Trade and Commerce Agency.

15346.3. The California Defense Retention and Conversion Council shall consist of the following members, who shall be appointed as follows:

(a) The Governor shall have 11 appointees, who may include, but are not limited to, the following:

- (1) The Secretary of Trade and Commerce, or his or her designee.
- (2) The Secretary of Environmental Protection, or his or her designee.
- (3) The Director of Employment Development, or his or her designee.
- (4) The Director of Planning and Research, or his or her designee.
- (5) The Director of the Energy Resources, Conservation and Development Commission, or his or her designee.
- (6) The Director of Transportation, or his or her designee.
- (7) The Director of the Employment Training Panel, or his or her designee.
- (8) The Secretary of Resources, or his or her designee.
- (9) A member who is an elected public official from local government representing a community with an active defense installation.
- (10) A member who is an elected public official from local government representing a community with a closed defense installation.

(11) A public member selected at large.

(b) The Speaker of the Assembly shall have two appointees who may include, but are not limited to, members representing labor, business, or local government.

(c) The Senate Committee on Rules shall have two appointees who may include, but are not limited to, members representing labor, business, or local government.

(d) Nonvoting members, to consist of all of the following:

- (1) At his or her option, the President of the University of California, or his or her designee.
- (2) The Chancellor of the California State University, or his or her designee.
- (3) The Chancellor of the California Community Colleges, or his or her designee.
- (4) The Speaker of the Assembly, or his or her designee.
- (5) The President pro Tempore of the Senate, or his or her designee.
- (6) A representative from each branch of the United States Armed Forces within California, appointed by the Governor.

15346.4. (a) The members of the council shall elect a member to be the chairperson of the council.



(b) The Office of Military Base Retention shall provide staff support to the council.

(c) It shall be the purpose of the council to provide a central clearinghouse for all defense retention, conversion, and base reuse activities in the state.

15346.5. The council shall do all of the following:

(a) Develop and recommend to the Governor and the Legislature a strategic plan for state and local defense retention and conversion efforts. The plan shall address the state's role in assisting communities with potential base closures and those impacted by previous closures. The council may coordinate with other state agencies, local groups, and interested organizations on this strategic plan to retain current Department of Defense installations, facilities, bases, and related civilian activities. The opportunity shall be provided for public review and comments on the strategic plan prior to submission to the Governor and the Legislature. Notwithstanding Section 7550.5, the plan shall be submitted to the Governor and the Legislature on or before December 1, 2000.

(b) Conduct outreach to entities and parties involved in defense retention and conversion across the state and provide a network to facilitate assistance and coordination for all defense retention and conversion activities within the state.

(c) Help develop and coordinate state retention advocacy efforts on the federal level.

(d) (1) Conduct an evaluation of existing state retention and conversion programs and provide the Legislature recommendations on the continuation of existing programs, including, but not limited to, the possible elimination or alteration of those programs. Notwithstanding Section 7550.5, this evaluation shall be transmitted to the Legislature on or before November 1, 2000, and again on or before November 1, 2003.

(2) The council may provide recommendations to the Legislature on the necessity of new programs for defense retention and adequate funding levels.

(e) Utilize and update the plan prepared by the Defense Conversion Council as it existed on December 31, 1998, to minimize California's loss of bases and jobs in future rounds of base closures. This plan shall include, but not be limited to, all of the following:

(1) Identification of major installations in California.

(2) Determination of how best to defend existing bases and base employment in this state.

(3) Coordination with communities that may face base closures.

(4) Development of data and analyses on bases in this state.

(5) Coordination with the congressional delegation, the Legislature, and the Governor. With the consent of the appropriate authority, the council may temporarily borrow technical, policy, and



administrative staff from other state agencies, including the Legislature.

(f) Where funds and resources are available, the council may undertake all of the following activities:

(1) Provide a central clearinghouse for all base retention or conversion assistance activities, including, but not limited to, employee training programs and regulation review and permit streamlining.

(2) Provide technical assistance to communities with potential or existing base closure activities.

(3) Provide a central clearinghouse for all defense retention and conversion funding, regulations, and application procedures for federal or state grants.

(4) Serve as a central clearinghouse for input and information, including needs, issues, and recommendations from businesses, industry representatives, labor, local government, and communities relative to retention and conversion efforts.

(5) Identify available state and federal resources to assist businesses, workers, communities, and educational institutions that may have a stake in retention and conversion activities.

(6) Provide one-stop coordination, maintain and disseminate information, standardize state endorsement procedures, and develop fast-track review procedures for proposals seeking state funds to match federal defense conversion funding programs.

(7) Maintain and establish data bases in such fields as defense-related companies, industry organization proposals for the state and federal defense industry, community assistance, training, and base retention, and provide electronic access to the data bases.

15346.8. (a) The council shall meet at the times and in places it deems necessary, but no less than once a quarter. Whenever possible, meetings shall be held in Sacramento in state facilities.

(b) Under no circumstances shall the council permit absentee or proxy voting at any of its proceedings. However, a vote by a designee, as provided in paragraphs (1) to (8), inclusive, of subdivision (a), and paragraphs (1) to (5), inclusive, of subdivision (d), of Section 15346.3, shall not be construed to be an absentee or proxy vote under this subdivision.

(c) Council members may receive reimbursement for travel costs directly related to council attendance if funding is available.

(d) The council shall apply for grants and may seek contributions from private industry to fund its operations.

(e) The council shall actively solicit and accept funds from industry, foundations, or other sources to promote and fund research and development of dual technologies, to identify alternative applications of military technologies, to initiate market research for identifying possible defense conversion products, to establish worker and business training programs, and to operate pilot projects to



evaluate and demonstrate useful approaches. These efforts should be coordinated with the regional technology alliances.

15346.9. In addition to the duties specified in Section 15346.5, the council shall do all of the following:

(a) At the request of a council member, the council may review actions or programs by state agencies that may affect military base retention and reuse and offer comments or suggest changes to better integrate these actions or programs into the overall state strategic plan required pursuant to subdivision (a) of Section 15346.5.

(b) The council shall prepare a study considering strategies for the long-term protection of lands adjacent to military bases from development that would be incompatible with the continuing missions of those bases. The study shall include the effects of local land use encroachment, environmental impact considerations, and population growth issues. The study shall recommend basic criteria to assist local governments in identifying lands where incompatible development may adversely impact the long-term missions of these bases. The study shall also identify potential mechanisms, including recommendations for changes in law at the local or state level, to address these issues. In conducting this study, the council may use the Naval Air Station at Lemoore and Edwards Air Force Base as case studies.

The council shall hold public hearings on this study, including at least one in the vicinity of either Lemoore or Edwards. Notwithstanding Section 7550.5, the council shall prepare and submit to the Governor and the Legislature by November 30, 2000, a report on this study with any recommendations.

15346.10. The Trade and Commerce Agency, with input and assistance from the council, shall establish a Defense Retention Grant Program to grant funds to communities with military bases to assist them in developing a retention strategy. The agency may use grant criteria similar to those for existing defense conversion grant programs as a basis for developing the new grant program. To discourage multiple grant applications for individual defense installations in a region, the criteria shall be drafted to encourage a single application for grant funds to develop, where appropriate, a single, regional defense retention strategy. The structure, requirements, administration, and funding procedures of the grant program shall be submitted to the Legislature for review at least 90 days prior to making the first grant disbursement. The agency may make no grant award without the local community providing at least 50 percent or more in matching funds or in-kind services.

15346.12. The Trade and Commerce Agency shall adopt regulations to implement the programs authorized in this chapter. The agency shall adopt these regulations as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1, and for purposes of that chapter, including Section 11349.6, the



adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding subdivision (e) of Section 11346.1, the regulations shall be repealed within 180 days after their effective date, unless the agency complies with Chapter 3.5 (commencing with Section 11340) of Part 1 as provided in subdivision (e) of Section 11346.1.

15346.13. This chapter shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

