

Introduced by Senator MaldonadoFebruary 19, 2010

An act to amend Section 15570 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

SB 1403, as introduced, Maldonado. The California Economic Development Strategic Plan.

Existing law requires the Secretary of Labor and Workforce Development to lead the preparation of a biennial California Economic Development Strategic Plan, the duties of which include reviewing the recommendations of the California Economic Strategy Panel in their biennial economic development strategic plan document.

This bill would make a nonsubstantive, technical change in these provisions.

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

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

- 1 SECTION 1. Section 15570 of the Government Code is
- 2 amended to read:
- 3 15570. (a) The secretary shall lead the preparation of a biennial
- 4 California Economic Development Strategic Plan. In fulfilling this
- 5 duty, the secretary shall do the following:
- 6 (1) Review the recommendations made by the California
- 7 Economic Strategy Panel in their biennial economic development
- 8 strategic plan document. This document shall make
- 9 recommendations regarding an economic development strategic

1 plan for the state, covering a two-year time period and containing
2 a statement of economic goals for the state, a prioritized list
3 identifying significant issues learned from economic development
4 strategic plan panel meetings, proposals for legislation, regulations,
5 and administrative reforms necessary to improve the business
6 climate and economy of the state, evaluation of the effectiveness
7 of the state's economic development programs, a list of key
8 industries in which the state shall focus its economic development
9 efforts, and strategies to foster job growth and economic
10 development covering all state agencies, offices, boards, and
11 commissions that have economic development responsibilities.

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

25 (A) Strengths and weaknesses of the California economy and
26 the state's prospects for future economic prosperity.

27 (B) Emerging and declining industries in California and
28 elsewhere.

29 (C) Effectiveness of California's economic development
30 programs in creating and retaining jobs and attracting industries.

31 (D) Adequacy of state and local physical and economic
32 infrastructure.

33 (E) Government impediments to economic development.

34 (F) The development of a system of accountability for use in
35 the annual state budget process and in the legislative process to
36 measure the performance of all state policies, programs, and tax
37 expenditures intended to stimulate the economy. In developing a
38 system of accountability, the panel shall, by using only existing
39 resources and without future budget augmentation made for this
40 purpose, do all of the following:

- 1 (i) Develop a standard definition of economic development.
- 2 (ii) Develop, for use in state law, standard measurements of real
- 3 per capita income, job growth, new business creation, private sector
- 4 investment, minority entrepreneurship, and income inequality.
- 5 (iii) Survey and evaluate efforts in other states to develop
- 6 accountability measures for public investments in economic
- 7 development.
- 8 (iv) Determine whether a return on investment calculation is
- 9 feasible for public investments in economic development.
- 10 (v) Conduct a comparative study of various methodologies for
- 11 preparing the economic development sections of a state budget,
- 12 including unified functional budget, zero-based budget, and
- 13 performance-based budget methodologies.
- 14 (vi) Study the feasibility of statutory disclosure requirements
- 15 on specified publicly funded subsidies to private sector businesses.
- 16 (vii) Submit a report of its findings and recommendations
- 17 regarding this subparagraph to the Legislature no later than one
- 18 year after its first meeting after January 1, 2005.
- 19 (b) The panel shall be composed of the following 15 members:
- 20 (1) The Secretary of Labor and Workforce Development, who
- 21 shall serve as chair of the panel.
- 22 (2) Eight persons appointed by the Governor.
- 23 (3) The Speaker of the Assembly or his or her designee.
- 24 (4) The President pro Tempore of the Senate or his or her
- 25 designee.
- 26 (5) The Minority Leader of the Assembly or his or her designee.
- 27 (6) The Minority Leader of the Senate or his or her designee.
- 28 (7) One person appointed by the Speaker of the Assembly.
- 29 (8) One person appointed by the Senate Committee on Rules.
- 30 (c) The panel shall be representative of state government,
- 31 business, labor, finance, and academic institutions, and shall be
- 32 broadly reflective of the state's population as to gender, ethnicity,
- 33 and geographic residence within California.
- 34 At least one-half of all the persons on the panel shall be from
- 35 the private sector and at least two appointments shall be from
- 36 private businesses with less than 50 employees. At least two
- 37 appointments shall be from rural areas of the state. Beginning
- 38 January 1, 2004, appointments to the panel shall be for four-year
- 39 terms, except that the Governor's appointments made pursuant to
- 40 paragraph (2) of subdivision (b) shall be made as follows:

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

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

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

8 (d) The secretary shall deliver copies of the economic strategy
9 panel's recommended California economic development strategic
10 plan to every constitutional officer, legislator, member of the
11 Governor's cabinet, members of the economic development
12 strategic plan panel, and every state agency, office, board, and
13 commission having economic development responsibilities.

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