

***Assembly Committee on Jobs, Economic
Development, and the Economy***

Office Phone: 916.319.2090

Office Fax: 916.319.2190

Committee Website: <http://ajed.assembly.ca.gov/>

Mailing Address:

*California State Capitol
Assembly Committee on Jobs,
Economic Development, and
the Economy
Sacramento, CA, 95814*

Office Location:

*Legislative Office Building
Assembly Committee on Jobs,
Economic Development, and
the Economy
1020 N Street, Room 359
Sacramento, California 95814*

Jobs, Economic Development, and the Economy

Jose Medina, Chair
Allan R. Mansoor, Vice Chair
Nora Campos
Tom Daly
Paul Fong
Steve Fox
Ben Hueso*
Eric Linder
Melissa A. Melendez
V. Manuel Pérez

**Elected to the Senate, March 2013*

Committee Staff:

Toni Symonds, Chief Consultant
Natalee Vicencia, Committee Secretary
Ava Sanchez, Communications Director
Zach Hutsell, Legal Intern
Edith Gonzalez, Intern
Maya Polon, Intern
Norma Huerta, Intern
Holland Nguyen, Intern

Assembly Republican Caucus, Office of Policy:

Julia King, Principal Consultant

December 1, 2014

Dear Interested Parties:

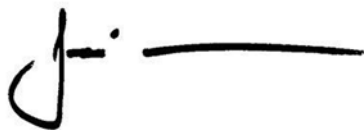
As Chair of the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE), I am pleased to publish the Committee's 2013-2014 End of Session Report.

Among other things, this reference tool will provide you with a list of legislation that pertains to topics under JEDE's jurisdiction and summaries of key interest areas including: California's manufacturing and logistical networks, the state's clean technology economy, small business development, disabled veteran business enterprises, international trade, infrastructure, regulatory reform, and workforce development.

I hope you find this information useful.

If you have any questions or need further information, please do not hesitate to contact the JEDE Committee Office at 916.319.2090 or visit the JEDE Committee website at <http://ajed.assembly.ca.gov/>.

Sincerely,

A handwritten signature in black ink, consisting of a stylized initial 'J' followed by a horizontal line.

JOSE MEDINA
Chair
Assembly Committee on Jobs,
Economic Development, and the Economy

Table of Contents

Section I – The California Economy

Introduction.....	1
Re-defining California's Economic Development Paradigm.....	2
Legislation from 2013-2014	4

Section II – Social Innovation Financing

Introduction.....	11
Legislation from 2013-2014	11

Section III – Manufacturing

Introduction.....	15
Manufacturing in the Future	15
Legislation from 2013-2014	16

Section IV – California’s Clean Technology Economy

Introduction.....	21
Cooldown and Maturation in Cleantech Investing	22
Proposition 39.....	22
AB 32 and the California Cap-and-Trade Program.....	23
Legislation from 2013-2014	23

Section V – Small Business Development and Operations

Introduction.....	29
Using Entrepreneurship to Address Income Disparity	29

State Programs that Support Small Businesses	30
Legislation from 2013-2014	30
 <u>Section VI – Disabled Veteran Business Enterprises and Small Business Procurement</u>	
Introduction.....	37
Legislation from 2013-2014	38
 <u>Section VII – International Trade</u>	
Introduction.....	43
Exports and Imports.....	43
Foreign Investment	44
Legislation from 2013-2014	44
 <u>Section VIII – Infrastructure</u>	
Introduction.....	51
Competiveness and Infrastructure	51
2014 Infrastructure Accomplishments.....	52
Legislation from 2013-2014	52
 <u>Section IX – Regulatory Reform</u>	
Introduction.....	59
Cost of Regulations on Business	59
State and Federal Advocacy for Regulatory Flexibility	59
Adoption of New Rules	60
Legislation from 2013-2014	60

Section X – Workforce Development

Introduction..... 65

Current Employment Trends in California 66

Legislation from 2013-2014 66

Section XI – 2013-2014 Legislative Hearings

Introduction.....73

Oversight Hearing on an "Overview of the California Economy"73

Oversight Hearing on the "Role of Trade and Foreign Investment on the
Inland Empire’s Regional Economy" 73

Oversight Hearing on "Creating Complete Advantages within the Southern
California Logistical Network" 75

Oversight Hearing on the "State International Trade and Investment Strategy
and Related Programs"75

Appendices

Appendix I: Index of Bills by Bill Number A

Appendix II: Index of Bills by Subject Matter AA

Appendix III: Glossary of Terms.....OO

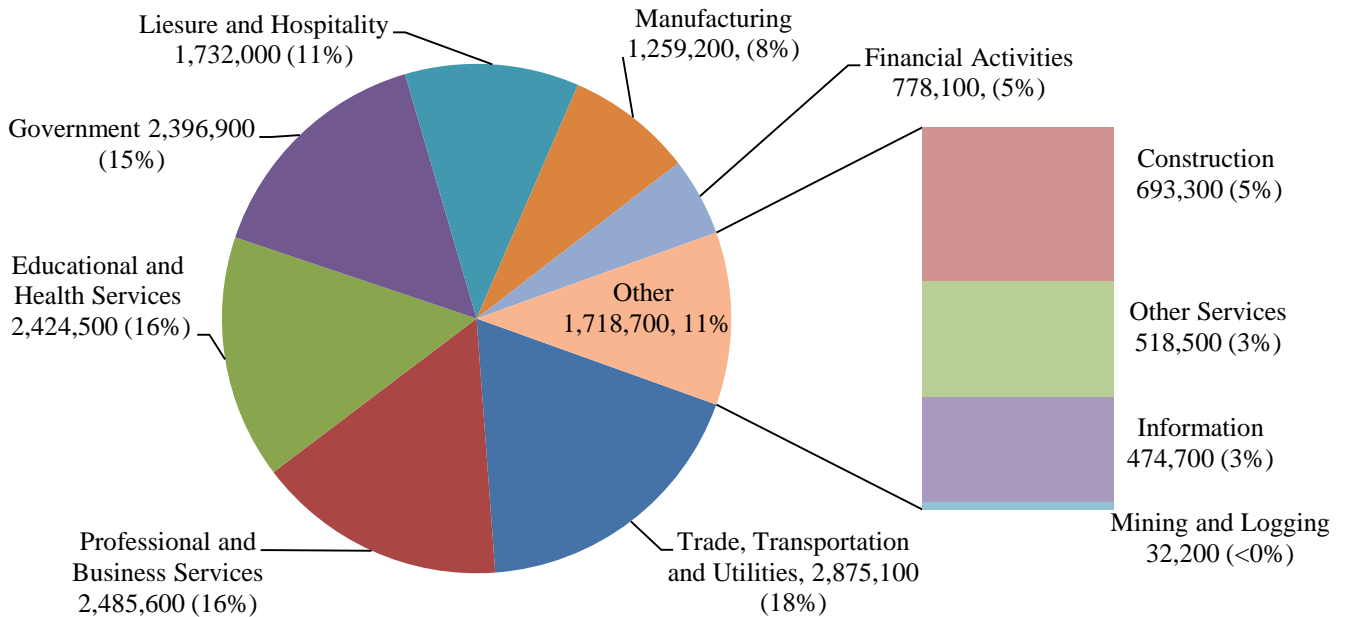
Section I –The California Economy

California is one of the largest and most diversified economies in the world, which had a gross domestic product (GDP) of over \$2.2 trillion in 2013. If California were a country, its 2013 GDP would place it 8th among nations, ranking as follows: United States (\$15.7 trillion), China (\$8.2 trillion), Japan (\$6.0 trillion), Germany (\$3.4 trillion), France (\$2.6 trillion), United Kingdom (\$2.4 trillion), Brazil (\$2.3 trillion), Russian Federation (\$2.0 trillion), Italy (\$2.0 trillion), and California (\$2.0 trillion).

Historically, the state's significance in the global marketplace resulted from a variety of factors, including its strategic west coast location, its economically diverse regional economies, its skilled workforce, and its culture of innovation and entrepreneurship, particularly in the area of technology. California's 28.6 million working age individuals comprise the single largest workforce in the nation, are comparatively younger, and have an educational achievement level above the national average. As an example, over 32% of the working age population in California holds at least a bachelor's degree.

California's well diversified small business base also provides an economic advantage by meeting the niche needs of the state's dominant and emerging innovation-based industry sectors. **Chart 1**, developed by data provided by the California Employment Development Department, shows California's largest industry sectors based on employment.

Chart 1 - Total Non-Farm Employment October 2014



Along with California's competitive advantages, the state also has economic challenges including its aging infrastructure, complex regulatory system, and a fragmented education and workforce development system. Taken together, California businesses and workers participate in a and a global economy that can increasingly offer goods and services previously only available in the United

States. Experts have noted that being successful in the second decade of the 21st Century will likely require governments, businesses and workers to transcend old economic and workforce development frameworks. **Chart 2** outlines seven of the key trends that are redefining the U.S. and California economies.

Chart 2 - Key Economic Trends Affecting the California Economy
1 - Cities and regions will become more dominant economic players.
2 - Global networks will be supported through more advanced information and transportation technologies.
3 - The world's largest companies will increasingly be headquartered in emerging foreign markets.
4 - Global and more diversified markets will provide new opportunities for smaller sized companies.
5 - Scarcity and rising prices will increase pressure on the development and deployment of cleaner technologies.
6 - The retirement of Boomers will place an even greater need for new middle and high skilled workers.
7 - The available workforce will be smaller, more diversified, and have educational backgrounds that lag other industrial countries.

Researchers and policy makers suggest that the emerging marketplace of the 21st Century will demand deeper collaborations among businesses, workers, governments and educators. Education and training will also need to become more highly integrated within career pathways which are clearly articulated between the K-12, the state's higher education systems, and workforce training providers. Further, governments will be challenged to conceive of, approve, and help finance comprehensive infrastructure networks that support both the joint development, as well as the exchange of goods, services and ideas across rural and urban communities, state-to-state, and state-to-nations.

Re-defining California's Economic Development Paradigm

Success in this constantly evolving global economy will require California to implement a sustained and innovative economic development agenda that embraces entrepreneurship, creativity, diversity and the new models of business engagement, while also removing barriers to innovation and change. Beginning in 2010, Governor Brown initiated a restructuring of the state's role with business attraction, retention and growth. This restructuring resulted in the elimination of the California Community Redevelopment authority in 2010 and the elimination of the California Enterprise Zone Program and the Small Business Tax Credit in 2013. Rather than relying on community development or place-based models, the state's new economic engagement model focuses on leveraging high tech and other innovation-based firms including advanced manufacturing, biotech, and cleantech.

In accommodating this shift, the Administration and the Legislature worked together to codify the Governor's Office of Business and Economic Development (GO-Biz) [AB 29 (John A. Pérez), Chapter 475, Statutes of 2011, and AB 2012 (John A. Pérez), Chapter 294, Statutes of 2012], and

then to realign the state's economic development resources within the purview of GO-Biz. Effective July 1, 2013, the following programs and services were transferred to GO-Biz:

- The Small Business Loan Guarantee Program;
- The California Travel and Tourism Commission;
- The California Film Commission;
- The Film California First Program; and
- The Infrastructure and Economic Development Bank (I-Bank).

In addition, the Governor signed key legislation to establish a Small Business Finance Center within the I-Bank [AB 1247 (Medina), Chapter 537, Statutes of 2013], and codified the Innovation Hub (iHub) Program [AB 250 (Holden and V. Manuel Pérez), Chapter 530, Statutes of 2013]. In October of 2013, the Governor also added four new iHubs to the existing network of 12 including an Inland Empire and Los Angeles-based iHub that will focus on trade and foreign investment and a statewide iHub that will promote advanced manufacturing.

Approximately \$780 million was shifted from the California Enterprise Zone Program for use in the new California Competes Tax Credit, which will be awarded by GO-Biz; a broad-based state tax exclusion for equipment purchases by manufacturing and technology firms; and a more limited tax credit for the hire of new employees by businesses located in areas with high unemployment and poverty [AB 93 (Assembly Committee on Budget), Chapter 69, Statutes of 2013 and SB 90 (Galgiani and Cannella), Chapter 70, Statutes of 2013].

In 2014, the Legislature and the Governor continued its focus on technology and innovation by passing two significant tax credits for the aerospace (two bills) and film industries, AB 2389 (Fox), Chapter 116, Statutes of 2014; SB 718 (Roth and Knight), Chapter 189, Statutes of 2014, and AB 1839 (Gatto and Bocanegra), Chapter 378, Statutes of 2014. These long-term credits will be awarded based on the total capital investment and employment of the firms. This shift in economic development focus has left communities and neighborhoods with few resources to address poverty alleviation and blight. In the early years, the value of the aerospace credits will be deducted from the overall allocation of the California Competes Tax Credit Program. This potential reduction in statewide credits prompted the Administration to request additional tax credit authority for the program, AB 1560 (Quirk-Silva), Chapter 378, statutes of 2014.

While support for manufacturing in very low income communities passed the Legislature, the Governor vetoed legislation to establish a state new markets tax credit program, AB 1399 (Medina and V. M. Pérez). Over the life of the program, AB 1399 would have raised over \$500 million in private capital for deployment to businesses, including manufacturers. The 2014-15 Budget included \$2 million for small business technical assistance, which would have codified all the technical assistance providers, was held in the Assembly Appropriations Committee, AB 2670 (Medina).

Workforce development initiatives were also refocused during the 2011-12 and 2013-14 Legislative Sessions. Funding for workforce training has been transformed from a straight per capita allocation to an incentive based allocation whereby high performing local workforce investment boards receive supplemental awards [SB 698 (Lieu), Chapter 497, Statutes of 2011]. Career Academies were established and then expanded to address the state's educational attainment gap and provide stronger links between public education and the workplace [SB 1070 (Steinberg), Chapter 433, Statutes of 2012]. Further, the needs of dominant and emerging industries, selected at the regional levels, will be

used to refocus the work of the California Community College Workforce Development Division, [SB 1402 (Lieu), Chapter 361, Statutes of 2012] and the local workforce investment boards [SB 118 (Lieu), Chapter 562, Statutes of 2013]. In 2014 the Governor released a new five-year infrastructure plan and has committed to releasing a 20-year growth and economic development plan, the Environmental Goals and Policy Report (draft pending in 2014).

Taken together, these changes in programs, services, workforce, and infrastructure are designed to help California successfully compete in a more highly integrated and sophisticated global economy.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to improving the state's economic development activities. Legislation not heard by JEDE are marked with an *. This is the most general designation category, which provides information on tax expenditures and other economic development programs and services. Other sections of the report provide more targeted information with a list of related legislation including sections on small business, trade and foreign investment, infrastructure, workforce development and manufacturing.

AB 9 (Holden) Qualified Employee Definition for Enterprise Zone Tax Credit: This bill would have modified the enterprise zone hire credit conditions by requiring employees receive a qualified wage that exceeds an average monthly wage of \$2,000 and expands the definition of a qualified employee by expanding the dislocated worker requirements to reflect recent economic considerations. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 28 (V. Manuel Pérez) Enterprise Zone Restructuring: This bill would have made six programmatic and fiscal improvements to the geographically-targeted economic development area programs, in relation to cost, transparency, and accountability. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 53 (John A. Pérez) California Economic Development Strategic Plan: This bill would have required GO-Biz to lead the preparation of the biennial California Economic Development Strategic Plan, as specified. In addition, the bill required a copy of the federally required Worker Adjustment and Retraining Notification Act notice be posted on the EDD website and be provided to GO-Biz. Status: Vetoed by the Governor, 2013. The veto message reads: "This bill requires the Governor's Office of Business and Economic Development (GO Biz) to prepare the California Economic Development Strategic Plan and a triennial report to the Legislature. GO Biz is now implementing the state's new economic development initiative that Speaker Pérez helped make possible earlier this year. In addition, thanks to legislation authored by Speaker Pérez, GO Biz is expanding direct foreign investment, promoting export of California products, removing unnecessary government barriers for businesses, and helping large and small businesses innovate, grow, and prosper in California. For all these reasons, I don't think a study and report will bring any additional focus to our efforts."

AB 86 (Assembly Committee on Budget) Education Omnibus Trailer Bill: Career Pathways Trust*: This bill, among other things, appropriates \$250 million for the Career Pathways Trust, which will fund competitive grants for high schools, community colleges and their business partners

to create pathways for careers in high-need and high-growth economic sectors. Status: Signed by the Governor, Chapter 48, Statutes of 2013.

AB 93 (Assembly Committee on Budget) California Competes Tax Credit and State Sales and Use Tax Exemption*: This bill institutes three new tax programs, a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases; a California Competes tax credit for attracting and retaining major employers; and a hiring credit under the Personal Income Tax and Corporation Tax for employment in specified geographic areas. Additionally, the bill results in the phasing-out and ending of certain tax provisions related Enterprise Zones and similar tax incentive areas, and ending the current Small Business New Jobs Credit tax incentive program. The bill also provides for allocating the California Competes tax credit through the Governor's Office of Business and Economic Development to assist in retaining existing and attracting new business activity in the state. Status: Signed by the Governor, Chapter 69, Statutes of 2013.

AB 106 (Assembly Committee on Budget) California Competes: Technical Changes 2 of 3*: This bill makes technical clarification to the Enterprise Zone Program that is set to expire on December 31, 2013, according to SB 90 and AB 93. Status: Signed by the Governor, Chapter 355, Statutes of 2013.

AB 250 (Holden and V. Manuel Pérez) Codification of California Innovation Hubs: This bill codifies and expands the California Innovation Hub Program at GO-Biz for the purpose of stimulating economic development and job creation through the regional coordination of federal, state, and local innovation-supporting resources. Status: Signed by the Governor, Chapter 530, Statutes of 2013.

AB 305 (V. Manuel Pérez) New Markets Tax Credit: This bill would have created a \$200 million state New Markets Tax Credit Program for the purpose of stimulating economic development and hastening California's economic recovery. In general, the new state credit paralleled the federal New Markets Tax Credit. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2013.

AB 393 (Cooley) GO-Biz Website*: This bill requires the Director of GO-Biz to ensure that the GO-Biz website contains information on the fee requirements and fee schedules of state agencies. Status: Signed by the Governor, Chapter 124, Statutes of 2013.

AB 653 (V. Manuel Pérez) California Innovation and Jobs Act: This bill would have established the California Innovation and Jobs Act, which increases the maximum value of the research and development credit and codifies the California Innovation Hub Program. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2014.

AB 674 (Quirk-Silva) Microenterprise: This bill updates the definition of microenterprise and microenterprise development organizations to more accurately reflect industry practices. These definitions will be used in making public policy better address the needs of California's smallest sized businesses. Status: Signed by the Governor, Chapter 101, Statutes of 2014.

AB 737 (Fox) Unmanned Aircraft Systems Test Sites: As passed by JEDE, this bill would have required GO-Biz to prepare and submit a proposal for an unmanned aircraft test site to the Federal Aviation Administration on or before May 6, 2013. Amendments taken in the Senate deleted the

content of the bill and added language relating to space flight liability. Status: Died in the Senate Committee on Judiciary, 2014.

AB 930 (Hall) Enterprise Zones: Energy Management Plans: This bill would have authorized cities and counties to develop energy management plans with utility companies serving enterprise zones. Status: Died in the Assembly Committee on Natural Resources, 2014.

AB 1042 (Hall) Indian Gaming Special Distribution Fund*: This bill modifies the Department of Finance's calculation of the total revenue available from the Indian Gaming Special Distribution Fund to local government agencies impacted by tribal gaming, and appropriates \$13 million for the Special Distribution Fund for the 2013-14 fiscal year. Status: Signed by the Governor, Chapter 746, Statutes of 2013.

AB 1247 (Medina and Bocanegra) Small Business Finance Center: This bill establishes the California Small Business Finance Center at the I-Bank, within the Governor's Office and Economic Development, and transfers the authority to administer the small business loan guarantee program and other related programs to the I-Bank. Status: Signed by the Governor, Chapter 537, Statutes of 2013.

AB 1399 (Medina and V. Manuel Pérez) New Markets Tax Credit: This bill would have established the California New Market Tax Credit for businesses that invest in low-income communities, mirroring the federal New Market Tax Credit. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill creates a new markets tax credit that will cost --over time-- \$200 million. I certainly endorse programs that result in private investments to help low income areas, but a bill to spend this much should be considered with other priorities during the annual budget."

AB 1422 (Assembly Committee on Jobs, Economic Development and the Economy) California Alternative Energy and Advanced Transportation Financing Authority: This bill clarifies the definition of "participating party", used by the California Alternative Energy and Advanced Transportation Financing Authority (Authority) for their Sales and Use Tax Exclusion Program, to include out-of-state entities that demonstrably commit to opening a manufacturing facility within California. The bill also repeals a requirement that GO-Biz issue a report about advanced manufacturing and a report by the Authority on net benefits. Status: Signed by the Governor, Chapter 540, Statutes of 2013.

AB 1564 (V. Manuel Pérez) Research and Development Credit: This bill would have substantially increased the percentage value of the existing research tax credit over a five year period and then returned the rate to the 2013 tax year value. In addition, the bill would have established the Research and Development Tax Credit Trade Program, which provides for the sale and purchase previously earned research credits by small research and development facilities. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 1675 (Ian Calderon) Entrepreneur-in-Residence Act of 2014: This bill would have established the entrepreneur-in-residence program (EIR Program) within the Governor's Office of Business and Economic Development (GO-Biz) for the purpose of improving outreach and strengthening coordination with the entrepreneur and small business community. GO-Biz would have also been required to establish an informal working group of EIR participants to discuss best practices, obstacles, and recommendations. A report on the activities and outcomes from the EIR Program

would have been required to be prepared annually. Status: Held on the Suspense File of the Senate Committee on Appropriations, 2014.

AB 1839 (Gatto and Bocanegra) Film Tax Credit*: This bill creates a tax credit for qualified expenditures for the production of qualified motion pictures in California for taxable years beginning on or after January 1, 2016. The bill also authorizes the California Film Commission to administer the program and allocate the tax credits, subject to a \$230 million cap in the first year (2015-16) and \$330 million aggregate annual cap for each fiscal year (FY) from the 2016-17 FY through and including the 2019-20 FY. Status: Signed by the Governor, Chapter 413, Statutes of 2014.

AB 2176 (John A. Pérez) Governor's Office of Business and Economic Development: This bill would have required the Governor's Office of Business and Economic Development (GO-Biz) to lead the preparation of a biennial California Economic Development Strategic Plan, as specified. In addition, the bill would have required a copy of the federally required Worker Adjustment and Retraining Notification Act notice be provided to GO-Biz. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 2389 (Fox) Advanced Strategic Aircraft Tax Credit*: This bill authorizes a tax credit under a qualified taxpayer in an amount equal to 17.5% of qualified wages paid by the qualified taxpayer during the taxable year to qualified employees. The bill limits eligible taxpayers to a major first-tier subcontractor awarded a subcontract to manufacture property for ultimate use in, or as a component of, a new advanced strategic aircraft for the United States Air Force. A “major first-tier subcontractor” is defined as a subcontractor that was awarded a subcontract in an amount of least 35% of the amount of the initial prime contract awarded for the manufacturing of a new advanced strategic aircraft for the U.S. Air Force. The ASATC program is authorized for each taxable year beginning on or after January 1, 2015, and before 1, 2030. Status: Signed by the Governor, Chapter 116, Statutes of 2014.

AB 2413 (John A. Pérez) Office of Farm to Fork*: This bill establishes the Office of Farm to Fork within the Department of Food and Agriculture for the purpose of working with the agricultural industry and other stakeholders, to the extent resources are available, to promote food access and increase the amount of agricultural products available in underserved communities and schools in the state. Status: Signed by the Governor, Chapter 583, Statutes of 2014.

AB 2749 (Committee on Jobs, Economic Development, and the Economy) Economic Development Definitions: This bill makes technical changes to the Government Code relating to the transfer of economic development related programs from the Business, Transportation and Housing Agency to the Governor’s Office of Business and Economic Development. Status: Signed by the Governor, Chapter 132, Statutes of 2014.

SB 73 (Senate Budget and Fiscal Review Committee) Proposition 39 Budget Trailer Bill*: This bill specifies the allocation of Prop 39 revenues available for K-12 local educational agencies and California Community College districts. This bill also appropriates \$3 million in Prop 39 revenues to the California Workforce Investment Board to develop and implement a grant program for community-based organizations and other training workforce organizations preparing disadvantaged youth or veterans for employment. Status: Signed by the Governor, Chapter 357, Statutes of 2013.

SB 90 (Galgiani) California Competes: Technical Changes 1 of 3*: This bill makes various technical changes related to the California Competes Tax Credit Program in AB 93. Status: Signed by the Governor, Chapter 70, Statutes of 2013.

SB 100 (Senate Committee on Budget and Finance) California Competes 3 of 3: Technical Changes*: This bill is a trailer bill that, among other things, makes various technical changes related to the California Competes Tax Credit Program in AB 93. Status: Signed by the Governor, Chapter 360, Statutes of 2013.

SB 118 (Lieu) Education and Workforce Investment Systems: This bill requires the California Workforce Investment Board to incorporate specific principles into the state's strategic plan that align the education and workforce investment systems of the state to the needs of the 21st century economy and promotes a well-educated and highly skilled workforce to meet the state's future workforce needs. Status: Signed by the Governor, Chapter 562, Statutes of 2013.

SB 133 (DeSaulnier) Redevelopment and Affordable Housing*: This bill would have made various reforms to the activities of redevelopment agencies in fulfilling the requirements to increase, preserve and improve low- and moderate-income housing through additional reporting requirements and prescribing remedial measures for major audit violations. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill would reform the laws governing use of housing funds by entities statutorily required to set aside tax increment funds to increase, preserve and improve low and moderate income housing. Undoubtedly, ensuring low and moderate income housing funds are expended to provide housing is important, but the simple fact is that the bill's requirements are no longer applicable in the wake of the dissolution of redevelopment agencies. The reforms in this bill can and should be discussed during the development of new economic development programs. Signing this bill would not have the desired outcome sought by the author and sponsors."

SB 470 (Wright) Community Development and Economic Opportunity*: This bill creates a process for a city, county, or city and county to sell or lease properties that are returned to them as part of the long-range property management plan of a former redevelopment agency, for an economic development purpose. Status: Signed by the Governor, Chapter 659, Statutes of 2013.

SB 718 (Roth) Advanced Strategic Aircraft Tax Credit Expansion*: This bill expands the definition of a "proponent" eligible for financial incentives under a local government capital investment incentive program (CIIP) and modifies the current aerospace tax credit by, among other things, including a prime contractor within the definition of a qualified taxpayer eligible for the credit. Status: Signed by the Governor, Chapter 189, Statutes of 2014.

SB 752 (Roth) Commercial and Industrial Common Interest Developments*: This bill separates the laws governing commercial and industrial Common Interest Developments from the laws governing residential Common Interest Developments and generally makes the operational provisions of current law inapplicable to commercial and industrial Common Interest Developments. Status: Signed by the Governor, Chapter 605, Statutes of 2013.

SB 798 (De León) Green Infrastructure Bank*: This bill establishes the California Green Infrastructure Bank as a public corporation. The bill puts the bank under the direction of an executive director to be appointed by the Governor and subject to Senate confirmation. The bill authorizes the bank to issue loans and bonds that facilitate green economic development, and adds the

bank to the list of investments eligible for funds from the Greenhouse Gas Reduction Fund. Status: Signed by the Governor, Chapter 367, Statutes of 2014.

SB 1335 (Leno) Tax Credit Accountability*: This bill provides that any bill that enacts a credit against the Personal Income Tax Law or Corporation Tax Law for taxable years beginning on or after January 1, 2015, apply performance measurement standards to the tax expenditures, as specified. Status: Signed by the Governor, Chapter 845, Statutes of 2014.

SB 1372 (De Saulnier and Hancock) Executive Compensations and Tax Rates*: This bill, beginning January 1, 2015, would have replaced a publicly traded corporation's current tax rate with a rate based on a ratio between its top paid employee and the median compensation it pays. Status: Died on the Senate Floor, 2014.

SCR 62 (Jackson) Representation of Women in Corporations*: This resolution encourages gender diversity on corporate boards and urges publicly-held companies to have a specified minimum of women on their boards by the end of 2016. Status: Adopted by the Legislature, Resolution 127, Statutes of 2013.

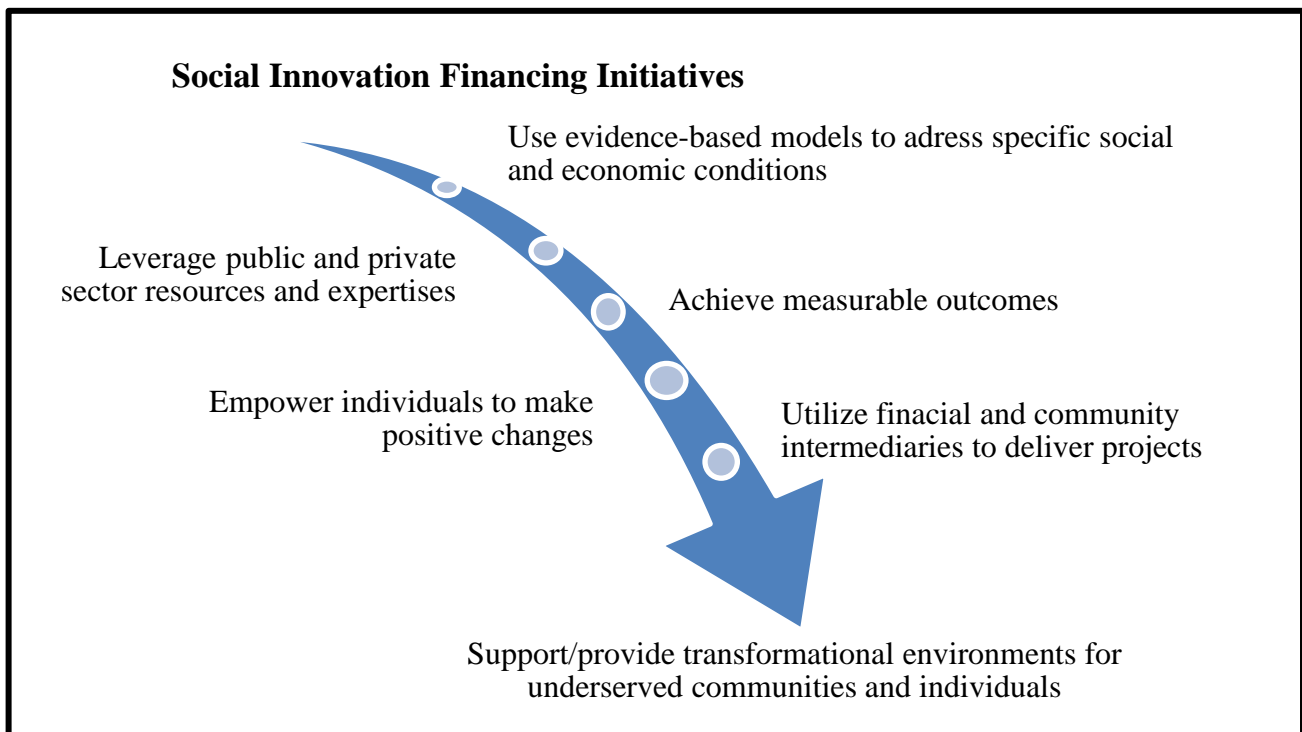
SJR 15 (Hancock) Postal Service Protection Act of 2013: This resolution urges the United States Congress to pass legislation to promote the modernization and preservation of the United States Postal Service, as stated in the introduced version of the Postal Service Protection Act of 2013. Status: Adopted by the Legislature, Resolution 122, Statutes of 2013.

Section II – Social Innovation Financing

Even as California recovered the 1.3 million jobs lost during the recession, some regions and communities continued to suffer recession-like conditions. In the 2013-14 Legislative Session, Members turned their attention to innovative community development practices to address the needs of historically marginalized communities and groups of individuals.

Among the new models were social innovation financing, impact investing, and public benefit corporations. Members also proposed legislation to apply federal poverty alleviation programs to California including New Markets Tax Credits and Promise Neighborhoods.

Collectively these models and programs are designed to build stronger and more resilient communities by addressing needs, strengthening local assets, and providing money for priority investments. The strategies support a range of community development activities including early childhood education; workforce training; development of public facilities, such as community centers and libraries; housing rehabilitation; public services; and microenterprise assistance. At their core, these bills rely on private sector money and triple-bottom line strategies to solve complex social policy objectives.



Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to social impact financing. Legislation not heard by JEDE are marked with an *.

AB 305 (V. Manuel Pérez) New Markets Tax Credit: This bill would have created a \$200 million state New Markets Tax Credit Program for the purpose of stimulating economic development and hastening California's economic recovery. In general, the new state credit paralleled the federal New Markets Tax Credit. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 574 (Lowenthal) Sustainable Communities Strategy*: This bill would have required the Air Resources Board (ARB), in consultation with the California Transportation Commission and the Strategic Growth Council, to establish standards for the use of moneys allocated from the Greenhouse Gas Reduction Fund for sustainable communities projects and to establish criteria for the development and implementation of regional grant programs. The bill would have required the California Transportation Commission, in consultation with ARB, to designate agencies to act as the regional granting authorities to administer regional grant programs. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 668 (Gray) Economic Disaster Area Priority: This bill requires the state to give priority consideration to areas declared an economic disaster area when expending certain state moneys. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 1051 (Bocanegra) Sustainable Communities for All*: This bill would have created the Sustainable Communities for All Program, beginning in 2015, which would fund, upon appropriation by the Legislature, from the Greenhouse Gas Reduction Fund, sustainable transportation and housing improvements that benefit lower-income households. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 1178 (Bocanegra) Promise Neighborhoods*: This bill would have established the California Promise Neighborhood Initiative to develop a system of 40 promise neighborhoods throughout California to support children's development from cradle to career. California promise neighborhoods were intended to foster a community focused on revitalization through the establishment of a cradle-to-career network of services aimed at improving the health, safety, education, and economic development of the defined area. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2014.

AB 1399 (Medina and V. Manuel Pérez) New Markets Tax Credit: This bill would have established the California New Market Tax Credit for businesses that invest in low-income communities, mirroring the federal New Market Tax Credit. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill creates a new markets tax credit that will cost --over time-- \$200 million. I certainly endorse programs that result in private investments to help low income areas, but a bill to spend this much should be considered with other priorities during the annual budget."

AB 1661 (Bonta) HOPE Act of 2014*: This bill would have enacted the Healthy Options for Everyone (HOPE) Act of 2014, which authorizes local governments to establish HOPE Incentive Zones for the purpose of increasing the availability of fresh fruits and vegetables, and other grown foods within the zone. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 1837 (Atkins) Social Innovation Financing to Address Recidivism: This bill Establishes the Social Innovation Financing Program, administered by the Board of State and Community

Corrections, which provided grants to three counties for the purpose of utilizing pay-for-success contracts to reduce recidivism. Status: Signed by the Governor, Chapter 802, Statutes of 2014.

AB 1970 (Gordon) Community Investment and Innovation Program*: This bill would have established the Community Investment and Innovation Program to provide grants and other financial assistance to eligible local government recipients for the purpose of developing and implementing local greenhouse gas emissions reduction projects. Funding would have come from cap-and-trade auction revenues. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 2022 (Medina) Target Area Contract Preference Act: This bill changes the Target Area Contract Preference Act by redefining what qualifies as an economically distressed area. Specifically, a "distressed area" is in the top quartile of census tracts for having the highest unemployment and poverty in the state as determined by the Department of Finance. Status: Signed by the Governor, Chapter 780, Statutes of 2014.

AB 2060 (V. Manuel Pérez) Supervised Population Workforce Training Grant Program: This bill establishes the Supervised Population Workforce Training Grant Program (Program). The Program is comprised of two distinct funding streams: one stream for post-secondary training that may lead to certifications, and placement on a middle-skill career ladder and a second stream for individuals that are starting with low educational attainment and need help with basic academic skills. Status: Signed by the Governor, Chapter 383, Statutes of 2014.

AB 2128 (Gordon) COIN Program*: This bill makes various changes to the California Organized Investment Network program within the Department of Insurance. Among other changes, the bill revises the content and mandates annual reporting by certain insurers to the Insurance Commissioner on all of its community development investments, community development infrastructure investments, and green investments in California. Status: Signed by the Governor, Chapter 384, Statutes of 2014.

AB 2280 (Alejo) Community Revitalization and Investment Authorities*: This bill would have allowed a local government or local government jointly to establish a Community Revitalization and Investment Authority to use tax increment revenues to invest in disadvantaged communities. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill allows local governments to establish a Community Revitalization and Investment Authority to use tax increment revenues to invest in disadvantaged communities. I applaud the author's efforts to create an economic development program, with voter approval, that focuses on disadvantaged communities and communities with high unemployment. The bill, however, unnecessarily vests this new program in redevelopment law. I look forward to working with the author to craft an appropriate legislative solution."

SB 1 (Steinberg) Sustainable Communities Investment Authority*: This bill would have allowed a local government to establish a Sustainable Communities Investment Authority and direct tax increment revenues to that Authority in order to address blight by supporting development in transit priority project areas, small walkable communities, and clean energy manufacturing sites. Status: Died on Senate Inactive File, 2014.

SB 9 (Price) Office of Social Innovation and Entrepreneurship Development*: This bill would have established the Office of Social Innovation and Entrepreneurship Development within the Office of the Governor to establish partnerships with government agencies, private investors, nonprofit organizations, and for-profit service providers to facilitate the use of social impact bonds, as defined, to address social service needs. Status: Died in Senate Committee on Governance and Finance, 2013.

SB 318 (Hill) Affordable Credit-Building Opportunities*: This bill authorizes the pilot Program for Affordable Credit-Building Opportunities to encourage socially-responsible, for-profit lenders to offer installment loans in amounts under \$2,500. Status: Signed by the Governor, Chapter 467, Statutes of 2013.

SB 593 (Lieu) Social Impact Partnerships Pilot Program*: This bill would have established the Social Impact Partnership pilot program and authorizes the Governor to solicit applications for the establishment of new social impact partnerships with private entities in order to address significant social issues including, but not limited to, child abuse, job preparedness for youth, and high recidivism rates among the state's prison population. These partnerships are to be formalized through a pay-for-success contract, which sets the evaluation metrics, quality standards, and timelines. If the conditions of the pay-for-success contract are not met, the state pays nothing. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill allows local governments to establish a Community Revitalization and Investment Authority to use tax increment revenues to invest in disadvantaged communities. I applaud the author's efforts to create an economic development program, with voter approval, that focuses on disadvantaged communities and communities with high unemployment. The bill, however, unnecessarily vests this new program in redevelopment law. I look forward to working with the author to craft an appropriate legislative solution."

SB 896 (Correa) Exemption from Finance Lenders Law*: This bill authorizes a nonprofit organization that meets certain criteria to apply to the Department of Business Oversight for an exemption from the California Finance Lenders Law (CFLL). Among other requirements, the exemption only applies to small-size (under \$2,500) zero-interest loans. The bill also provides that nonprofit organizations which partner with exempt nonprofits are not subject to the CFLL, if they meet specified criteria and comply with specified requirements. Status: Signed by the Governor, Chapter 190, Statutes of 2013.

SB 1301 (DeSaulnier) Socially Responsible Corporations Act*: This bill renames the Corporate Flexibility Act of 2011 as the Social Purpose Corporations Act; renames "flexible purpose corporations (FPCs)" as "social purpose corporations;" and makes technical and clarifying changes to correct and clarify the FPC law. Status: Signed by the Governor, Chapter 694, Statutes of 2014.

Section III – Manufacturing

Manufacturing plays an important role within the California economy, supporting international trade and small businesses within the global supply chain while providing high-paying jobs. In 2013, California’s 39,629 manufacturing establishments accounted for 11.8% of all manufacturing plants in the U.S. By most indicators, California is the largest manufacturing state in the nation.

In 2013, the California manufacturing sector contributed \$239 billion to the state economy, in which durable manufacturing goods (primary metals, machinery, and electronics) were valued at \$132.7 billion and non-durable goods (petroleum, chemical, food and beverages) were valued at \$196.3 billion.

Manufacturing employs 1.2 million workers in California, accounting for 6.7% of the total workforce and 8% of the state’s non-farm employment (2013). California has the largest manufacturing workforce in the nation, followed by Texas with 877,395. Manufacturing wages in the same year were \$97 billion for top ranked California and \$60 billion for second place Texas. Relative to individual compensation, California ranks third in the U.S. with a \$77,922 average annual wage. Connecticut ranks first relative to annual individual compensation (\$86,115) and Massachusetts ranks second (\$79,860).

Manufacturing is California’s most export-intensive activity, with \$144 billion in manufactured goods exported in 2013, accounting for 86.1% of California’s annual exports. Exports of manufactured goods support over 20% of California’s manufacturing jobs and 60% of total manufacturing revenues.

Also, manufacturing jobs have a large employment multiplier effect. According to the Milken Institute, each manufacturing job supports roughly 2.9 other jobs in the overall state's economy. In some specialized manufacturing sectors, such as electronics and computer manufacturing, the multiplier effect is as high as 16 to 1. One of the reasons for the large multiplier effect is the extended supply chains that are needed to support manufacturing and the export of goods.

Manufacturing In the Future

EDD currently projects that, between 2010 and 2020, total employment in California will rise by 16.3%, with total employment in the manufacturing sector in California rising by only 0.4%, as shown in **chart 3** below.

Chart 3: Employment Growth in California				
	Annual Average Employment 2010	Estimated Employment 2020	Numerical Change	Percent Change
Total Employment	15,916,200	18,511,200	2,595,000	16.3%
Manufacturing	1,241,000	1,246,500	5,500	0.4%
<small>Source: “Projections of Employment by Industry and Occupation, Long-term (Ten years) Projections,” EDD, 2010</small>				

Overcoming the challenges of California’s complex tax and regulatory system is important because these issues serve as early warning signs to the challenges that face the state's economy as a whole. In addressing these challenges, the Milken Institute report recommends the state develop a new and

more cooperative relationship with manufacturing. In the current and prior sessions, the Legislature has taken important steps to address these issues. In the prior session, the Legislature passed and the Governor signed SB 617 (Calderon), Chapter 93, Statutes of 2011, which requires the adoption of a standardized process for conducting the regulatory impact analysis on regulations that exceed \$50 million in estimated economic impact. This new standard went into effect in November 2013.

This session, JEDE passed and the Governor signed AB 250 (Holden and V. Manuel Pérez), Chapter 530, Statutes of 2013, which codifies the California Innovation Hub (iHub) Program and creates a single point of contact for innovation centers, such as research labs and universities, to engage with entrepreneurs and cultivate advanced local industries.

Other steps have also been made to help expand and attract new manufacturing facilities to California. The Governor proposed and the Legislature approved AB 93 (Assembly Committee on Budget), Chapter 69, Statutes of 2013, which established a statewide tax exemption for manufacturing equipment, a modified new hire credit for all businesses, and the California Competes Tax Credit. Funding for these programs came from the elimination of the California Enterprise Zone Program and the Small Business Hire Credit. All three of these new programs are intended to attract and retain manufacturers.

The Legislature and the Governor also passed two significant tax credits for the aerospace (two bills) and film industries, AB 2389 (Fox), Chapter 116, Statutes of 2014; SB 718 (Roth and Knight), Chapter 189, Statutes of 2014, and AB 1839 (Gatto and Bocanegra), Chapter 378, Statutes of 2014. These long-term credits are to be awarded based on the total capital investment and employment of the firms. Further, in the early years, the value of the aerospace credits will be deducted from the overall allocation of the California Competes Tax Credit Program. This potential reduction in statewide credits prompted the Administration to request additional tax credit authority for the program, AB 1560 (Quirk-Silva), Chapter 378, statutes of 2014.

Support for manufacturing in very low income communities passed the Legislature, however, the Governor vetoed legislation to establish a state new markets tax credit program, AB 1399 (Medina and V. M. Pérez). Over the life of the program, AB 1399 would have raised over \$500 million in private capital for deployment to businesses, including manufacturers.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to California manufacturing and logistical systems. Legislation not heard by JEDE is marked by an *.

AB 93 (Assembly Committee on Budget) California Competes Tax Credit and State Sales and Use Tax Exemption*: This bill institutes three new tax programs, a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases; a California Competes tax credit for attracting and retaining major employers; and a hiring credit under the Personal Income Tax and Corporation Tax for employment in specified geographic areas. Additionally, the bill results in the phasing-out and ending of certain tax provisions related to Enterprise Zones and similar tax incentive areas, and ending the current Small Business New Jobs Credit tax incentive program. The bill also provides for allocating the California Competes tax credit through the Governor's Office of Business

and Economic Development to assist in retaining existing and attracting new business activity in the state. Status: Signed by the Governor, Chapter 69, Statutes of 2013.

AB 106 (Assembly Committee on Budget) California Competes: Technical Changes 2 of 3*: This bill makes technical clarification to the Enterprise Zone Program that is set to expire on December 31, 2013, according to SB 90 and AB 93. Status: Signed by the Governor, Chapter 355, Statutes of 2013.

AB 250 (Holden and V. Manuel Pérez) Codification of California Innovation Hubs: This bill codifies and expands the California Innovation Hub Program at GO-Biz for the purpose of stimulating economic development and job creation through the regional coordination of federal, state, and local innovation-supporting resources. Status: Signed by the Governor, Chapter 530, Statutes of 2013.

AB 305 (V. Manuel Pérez) New Markets Tax Credit: This bill would have created a \$200 million state New Markets Tax Credit Program for the purpose of stimulating economic development and hastening California's economic recovery. In general, the new state credit paralleled the federal New Markets Tax Credit. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 653 (V. Manuel Pérez) California Innovation and Jobs Act: This bill establishes the California Innovation and Jobs Act, which increases the maximum value of the research and development credit and codifies the California Innovation Hub Program. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2014.

AB 737 (Fox) Unmanned Aircraft Systems Test Sites: As passed by JEDE, this bill would have required the Governor's Office of Business and Economic Development prepare and submit a proposal for an unmanned aircraft test site to the Federal Aviation Administration on or before May 6, 2013. It is generally believed that whichever state is awarded the test site will have a significant advantage in developing the manufacturing and commercialization of this emerging technology. Amendments taken in the Senate deleted the content of the bill and added language relating to space flight liability. Status: Died in the Senate Committee on Judiciary, 2014.

AB 1327 (Gorell) Unmanned Aircraft Systems*: This bill would have regulated the use of unmanned aircraft systems by public agencies and the dissemination and use of any images, data and footage obtained by those systems. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill prohibits law enforcement from using a drone without obtaining a search warrant, except in limited circumstances. There are undoubtedly circumstances where a warrant is appropriate. The bill's exceptions, however, appear to be too narrow and could impose requirements beyond what is required by either the 4th Amendment or the privacy provisions in the California Constitution."

AB 1399 (Medina and V. Manuel Pérez) New Markets Tax Credit: This bill would have established the California New Market Tax Credit for businesses that invest in low-income communities, mirroring the federal New Market Tax Credit. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill creates a new markets tax credit that will cost --over time-- \$200 million. I certainly endorse programs that result in private investments to help low income areas, but a bill to spend this much should be considered with other priorities during the annual budget."

AB 1400 (Assembly Committee on Jobs, Economic Development, and the Economy) Export Document Certificates: This bill modifies the state's Export Document Program to accept requests electronically, expedite approval of existing labels, and extend the term of the export labels from 180 days to 365 days, in order to alleviate backlog of exports of food, drug, and medical devices. Status: Signed by the Governor, Chapter 539, Statutes of 2013.

AB 1422 (Assembly Committee on Jobs, Economic Development and the Economy) California Alternative Energy and Advanced Transportation Financing Authority: California Alternative Energy and Advanced Transportation Financing Authority: This bill clarifies the definition of "participating party", used by the California Alternative Energy and Advanced Transportation Financing Authority (Authority) for their Sales and Use Tax Exclusion Program, to include out-of-state entities that demonstrably commit to opening a manufacturing facility within California. The bill also repeals a requirement that GO-Biz issue a report about advanced manufacturing and a report by the Authority on net benefits. Status: Signed by the Governor, Chapter 540, Statutes of 2013.

AB 1524 (Waldron) Unmanned Aircraft Identification Requirements*: This would have established an identification requirement for unmanned aircraft owned and operated in California. Status: Died in the Assembly Committee on Transportation, 2014.

AB 1560 (Quirk-Silva) More Credits for California Competes*: This bill authorizes the Department of Finance to increase the annual tax credit allocation under the California Competes Tax Credit Program by \$25 million per year. The bill includes legislative intent that the increase be used to offset the decrease in the program's funding due to the recently enacted tax credit program for the aerospace industry. Status: Signed by the Governor, Chapter 378, Statutes of 2014.

AB 1564 (V. Manuel Pérez) Research and Development Credit: This bill would have substantially increased the percentage value of the existing research tax credit over a five year period and then returned the rate to the 2013 tax year value. In addition, the bill would have established the Research and Development Tax Credit Trade Program, which provides for the sale and purchase previously earned research credits by small research and development facilities. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 1696 (Wieckowski) Electric Charging Stations in State Parking Facilities*: This bill would have added parking spaces with charging stations for plug-in-hybrid and electric vehicles to the list of incentives that the Department of General Services (DGS) and Caltrans may provide when implementing advanced technology vehicle parking incentive programs in DGS parking facilities and Caltrans park-and-ride lots. Status: Died on the Senate Inactive File, 2014.

AB 1721 (Linder) HOT Lanes: Low-Emission Vehicles*: This bill provides toll-free or reduced-rate passage in HOT lanes for certain single-occupant, low emission vehicles with a clean Air Vehicles program sticker. Status: Signed by the Governor, Chapter 526, Statutes of 2014.

AB 2200 (John A. Pérez) Cyber Security*: This bill would have created a 13-member California Cyber Security Steering Committee in the Governor's Office of Emergency Services; continued the existence of the California Cyber Security Task Force; and requires the Committee to seek to implement the policy recommendations of the Task Force based on specified priorities. The bill's provisions would have sunset on January 1, 2020. Status: Died at the Assembly Desk, 2014.

AB 2389 (Fox) Advanced Strategic Aircraft Tax Credit*: This bill authorizes a tax credit under a qualified taxpayer in an amount equal to 17.5% of qualified wages paid by the qualified taxpayer during the taxable year to qualified employees. The bill limits eligible taxpayers to a major first-tier subcontractor awarded a subcontract to manufacture property for ultimate use in, or as a component of, a new advanced strategic aircraft for the United States Air Force. A “major first-tier subcontractor” is defined as a subcontractor that was awarded a subcontract in an amount of least 35% of the amount of the initial prime contract awarded for the manufacturing of a new advanced strategic aircraft for the U.S. Air Force. The ASATC program is authorized for each taxable year beginning on or after January 1, 2015, and before 1, 2030. Status: Signed by the Governor, Chapter 116, Statutes of 2014.

AB 2565 (Muratsuchi) Rental Property: Electric Vehicle Charging Stations*: This bill requires a landlord to approve a written request of a lessee to install an electric vehicle charging station at a parking space allotted for the lessee, if specified conditions are met, renders void any term in a residential or commercial lease renewed or extended on or after January 1, 2015, that conveys that either prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in a parking space. Status: Signed by the Governor, Chapter 529, Statutes of 2014.

SB 90 (Galgiani) California Competes: Technical Changes 1 of 3*: This bill makes various technical changes related to the California Competes Tax Credit Program in AB 93. Status: Signed by the Governor, Chapter 70, Statutes of 2013.

SB 100 (Senate Committee on Budget and Finance) California Competes 3 of 3: Technical Changes*: This bill is a trailer bill that, among other things, makes various technical changes related to the California Competes Tax Credit Program in AB 93. Status: Signed by the Governor, Chapter 360, Statutes of 2013.

SB 718 (Roth) Advanced Strategic Aircraft Tax Credit Expansion*: This bill expands the definition of a “proponent” eligible for financial incentives under a local government capital investment incentive program and modifies the current aerospace tax credit by, among other things, including a prime contractor within the definition of a qualified taxpayer eligible for the credit. Status: Signed by the Governor, Chapter 189, Statutes of 2014.

SJR 32 (Correa) Biotechnology Industry and Taxation*: This resolution would have declared the Legislature's support for federal tax policies that are designed to encourage growth, incentivize corporations to remain in the U.S., and reduce competitive disadvantages of companies operating in the U.S., particularly those in the biomedical and life sciences. Status: Died in the Senate Committee on Rules, 2014.

Section IV – California's Clean Technology Economy

California’s clean technology economy encompasses a broad range of products and services, touching upon multiple industry sectors. This includes clean technology such as alternative energy generation, wastewater treatment, and the production of environmentally-friendly consumer products. Although some of these industries are very different, they all use innovative technologies, products, and services that have environmental benefits.

Growth in the cleantech industry largely comes from the convergence of two disparate factors. One, recent advances in new technologies, research methods, manufacturing, and communications that lower the cost of environmentally sensitive technologies; and two, an increasing number of consumers and businesses that are looking for ways to reduce energy costs, increase clean water supply, and meet new environmental regulatory requirements at the local, state, and global levels. Governments, in turn, have adopted new regulatory frameworks that require greater use of recyclable materials, increased the use of renewable energy, and lowered air pollution and greenhouse gas (GHG) emissions.

Leading cleantech sectors include energy efficiency, transportation and biofuels. Investments in smart grid technologies were also growing in the past year. **Chart 4**, developed by Cleantech San Diego, illustrates the wide range of industries engaged in the cleantech industry cluster.

Chart 4: Examples of Cleantech Industries	
Agriculture	Bio-based materials; farm efficiency technologies; micro-irrigation systems; bio-remediation; and non-toxic cleaners and natural pesticides.
Air & Environment	Air purification products and air filtration systems; energy efficient HVAC; universal gas detectors; multi-pollutant controls; and fuel additives to increase efficiency and reduce toxic emissions.
Materials	Biodegradable materials derived from seed proteins; micro-fluidics technology for conducting biochemical reactions; nano-materials; composite materials; thermal regulating fibers and fabrics; environmentally-friendly solvents; nano-technology components for electronics, sensor applications and energy storage; electro-chromic glass; and thermoelectric materials.
Energy	<p><u>Energy Efficiency</u>: Energy management systems; systems that improve output of power generating plants; intelligent metering; solid state micro refrigeration; control technology for HVAC systems; and automated energy conservation networks.</p> <p><u>Energy Generation</u>: Distributed and renewable energy and conversion, including wind, solar/photovoltaic (PV), hydro/marine, biofuels, fuel cells, gasification technologies for biomass, and flywheel power systems.</p> <p><u>Energy Infrastructure</u>: Wireless networks to utilities for advanced metering; power quality monitoring and outage management; integrated electronic systems for the management of distributed power; and demand response and energy management software.</p> <p><u>Energy Storage</u>: Batteries, e.g. thin film and rechargeable; power quality regulation; flywheels; and electro-textiles.</p>
Manufacturing and Industrial	Advanced packaging; natural chemistry; sensors; smart construction materials; business process and data flow mapping tools; precision manufacturing instruments & fault detectors; and chemical management services.
Recycling & Waste	Recycling technologies; waste treatment; internet marketplace for materials; hazardous waste remediation; and bio-mimetic technology for advance metals separation and extraction.
Transportation	Hybrid vehicle technology; lighter materials for cars; smart logistics software; car-sharing;

	and temperature pressure sensors to improve transportation fuel efficiency; telecommuting.
Water & Wastewater	Water recycling and ultra-filtration systems (e.g. UV membrane & ion exchange systems); sensors and automation systems; and water utility sub-metering technology; desalination equipment.
Source: Cleantech San Diego	

Based on the following factors, California is generally well positioned to take advantage of the new cleantech market:

- Thriving technology base;
- Existing entrepreneurial and management talent;
- Access to a full range of capital; and
- Historically progressive environmental laws.

Other states and even foreign countries, however, are also vying to dominate new emerging clean technologies. Connecticut, Massachusetts, Texas, New Mexico, New York, New Jersey, Florida, and Pennsylvania all have proactive cleantech economic policies. Europe and Asia are also successfully building cleantech clusters. Germany and China have already usurped California's once leading position in solar and wind energy through targeted policies and initiatives.

Cooldown and Maturation in Cleantech Investing

California is the epicenter of the U.S.'s cleantech market. In 2012, California was home to 143 venture capital investment deals related to cleantech, worth \$2.2 billion. Both of these figures are greater than the rest of the 49 states combined. The next closest state was Massachusetts, which was home to 40 venture capital deals for a total of \$504.7 million.

However, 2012 overall proved to be a difficult year for cleantech investors. Global investments in cleantech dropped to \$6.5 billion after reaching a record high of \$9.6 billion. U.S. based investments dropped to \$5.0 billion from a high of \$6.6 billion in 2011. Likewise, investment into California cleantech in 2012 (\$2.2 billion) was down from a previous high of \$3.5 billion in 2011. Also, high-profile bankruptcies in the U.S. cleantech sector, including Solyndra in California, damaged the previously safe investment reputation of cleantech industries.

A report published by Next10 that analyzes cleantech investing in California between 2003-2013 suggest that the high level of cleantech investment found in 2011 was likely due to an overheated market, but, despite the drop in 2012, cleantech investing is now settling into a more sustainable growth pattern due to an increase of risk-averse financing such as corporate investors and debt financing. Between 2008 and 2012, the percentage of capital coming from corporate investors jumped from 27.2% to 41.4%, and the percentage of capital coming from debt financing jumped from 5.1% to 21.1%.

Proposition 39

Passed in 2012, Prop 39 will provide a total of \$2.5 billion to invest in energy efficiency and clean energy projects for California's K-12 schools as well as community colleges. It is estimated that funds from Prop 39, also known as the California Clean Energy Jobs Act, will reduce operating costs and improve health and safety conditions in over 9,000 school buildings in California through a wide

variety of projects, such as the installation of solar panels and the installation of efficient heating/air-conditioning systems and lighting systems.

SB 73 (Senate Budget and Fiscal Review Committee), Chapter 357, Statutes of 2013, allocates roughly \$381 million to local education agencies and \$47 million to community colleges for Prop 39 implementation in 2013-2014. Approximately \$5 million will be provided to the California Conservation Corp for related workforce development such as energy auditing and weatherization training, and \$3 million will be provided to the California Workforce Investment Board for a competitive grant program for workforce training organizations to provide energy-related work experience and job training to disadvantaged youths and veterans.

AB 32 and the California Cap-and-Trade Program

Mandated by AB 32 (Nunez), Chapter 488, Statutes of 2006, the cap-and-trade program is the foundation of California's overall climate action plan. AB 32 requires California's biggest producers of GHG to either reduce their emissions or purchase GHG allowances to offset their yearly emissions. The total amount of allowances is capped each year, with the total amount available dropping each successive year. These allowances are then sold by the Air Resources Board (ARB) through quarterly auctions.

2013 marked the first year of California's cap-and-trade market. Multiple bills were introduced to expend the new auction revenues, including AB 26 (Bonilla), AB 416 (Gordon), AB 574 (Lowenthal), AB 1023 (Eggman), AB 1051 (Bocanegra), AB 1056 (Jones), AB 1375 (Chau), SB 64 (Corbett), SB 511 (Lieu), SB 605 (Lara), and SB 798 (De León). Ultimately, few of these measures passed.

The 2014-15 Budget allocated \$872 million in auction revenues for a variety of purposes including high speed rail (\$250 million), low carbon transportation (\$200 million), and affordable housing and sustainable communities (\$130 million). In addition, beginning in the 2015-16 Budget, 20% of ongoing revenues will be allocated to the development of California's High Speed Rail System and 35% of ongoing revenues will go toward the Affordable Housing and Sustainable Communities program, which is administered through the Strategic Growth Council. The Legislature and Governor will have an opportunity to annually award the other 40% of cap-and-trade auction revenues on an annual basis.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session which was designed to advance California's emerging cleantech economy. Legislation not heard by JEDE is marked by an *.

AB 26 (Bonilla) Greenhouse Gas Reduction Fund*: This bill specifies that moneys from the Greenhouse Gas Reduction Fund may only be made available for work at a refinery, if that work is related to complying with a market-based compliance mechanism to reduce greenhouse gas emissions. Status: Signed by the Governor, Chapter 864, Statutes of 2014.

AB 416 (Gordon) Local Emission Reduction Program*: This bill would have created the Local Emission Reduction Program, which requires moneys to be available from the General Fund, upon

appropriation by the Legislature, for the purposes of providing grants and financial assistance to cities, counties, metropolitan planning organizations, air quality control districts, and other local governments to develop and implement greenhouse gas reduction projects in the State. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 574 (Lowenthal) Sustainable Communities Strategy*: This bill would have required ARB, in consultation with the California Transportation Commission and the Strategic Growth Council, to establish standards for the use of moneys allocated from the Greenhouse Gas Reduction Fund for sustainable communities projects and to establish criteria for the development and implementation of regional grant programs. The bill would have required the California Transportation Commission, in consultation with ARB, to designate agencies to act as the regional granting authorities to administer regional grant programs. Status: Held on the Suspense File of the Assembly Committee on Appropriations.

AB 628 (Gorell and Hall) Energy Management Plans for Harbors and Port Districts: This bill authorizes a harbor or port district to prepare one or more energy management plans in order to reduce air emissions and promote economic development. Status: Signed by the Governor, Chapter 741, Statutes of 2013.

AB 653 (V. Manuel Pérez) California Innovation and Jobs Act: This bill establishes the California Innovation and Jobs Act, which increases the maximum value of the research and development credit and codifies the California Innovation Hub Program. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 701 (John A. Pérez) I-Bank Board Membership: As passed by JEDE, this bill would have authorized the I-Bank to serve as the primary state agency for applying to any federal infrastructure bank or financing authority which could have included green and energy related infrastructure. Further, the bill expanded the membership of the board of directors from five to seven members and specified that legislative members will be nonvoting members. Amendments taken in the Senate deleted the content of the bill and added language relating to property tax allocation in Orange County with Assemblymember Quirk-Silva as the author. Status: Signed by the Governor, Chapter 393, Statutes of 2013.

AB 930 (Hall) Enterprise Zones: Energy Management Plans*: This bill would have authorized cities and counties to develop energy management plans with utility companies serving enterprise zones. Status: Died in the Assembly Committee on Natural Resources, 2014.

AB 1023 (Eggman) Greenhouse Gas Emissions*: This bill would have required CalRecycle to implement a market development program for industries that reduce greenhouse gas emissions through waste reduction, recycling, and composting. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 1051 (Bocanegra) Sustainable Communities for All*: This bill would have created the Sustainable Communities for All Program, beginning in 2015, which would fund, upon appropriation by the Legislature, from the Greenhouse Gas Reduction Fund, sustainable transportation and housing improvements that benefit lower-income households. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 1056 (Jones) Allowance Auction Reports*: This bill requires ARB to provide quarterly reports on greenhouse gas allowance auctions to appropriate fiscal and policy committees of the Legislature. Status: Died in the Assembly Committee on Natural Resources, 2014.

AB 1079 (Bradford) Energy Management Plans: This bill would have authorized cities and counties to prepare energy management plans in order to reduce emissions and promote economic development. Status: Held on the Suspense File of the Senate Committee on Appropriations, 2013.

AB 1315 (John A. Pérez) California Green Collar Jobs Act*: This bill adds the Speaker of the Assembly and the President Pro Tempore of the Senate as members of the California Workforce Investment Board and the Green Collar Jobs Council. This bill also authorizes the Green Collar Jobs Council to include representatives from other states agencies and other interested parties as appropriate, and requires the development of a common framework to address workforce needs arising from changes in industries impacted by state policies to reduce greenhouse gas emissions. Status: Died at the Senate Desk, 2014.

AB 1375 (Chau) Clean Technology Investment Account*: This bill, which is substantially similar to SB 64 (Corbett), would have created the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund, and requires the Legislature to annually appropriate moneys from the Greenhouse Gas Reduction Fund into the Clean Technology Investment Account. The bill requires ARB to develop guidelines and use these moneys for purposes of accelerating the development, demonstration, and deployment of clean technologies that will reduce greenhouse gas emissions. Status: Died in the Assembly Committee on Appropriations, 2014.

AB 1564 (V. Manuel Pérez) Research and Development Credit: This bill would have substantially increased the percentage value of the existing research tax credit over a five year period and then returned the rate to the 2013 tax year value. In addition, the bill would have established the Research and Development Tax Credit Trade Program, which provides for the sale and purchase previously earned research credits by small research and development facilities. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 1696 (Wieckowski) Electric Charging Stations in State Parking Facilities*: This bill would have added parking spaces with charging stations for plug-in-hybrid and electric vehicles to the list of incentives that the Department of General Services (DGS) and Caltrans may provide when implementing advanced technology vehicle parking incentive programs in DGS parking facilities and Caltrans park-and-ride lots. Status: Died on the Senate Inactive File, 2014.

AB 1721 (Linder) HOT Lanes: Low-Emission Vehicles*: This bill provides toll-free or reduced-rate passage in HOT lanes for certain single-occupant, low emission vehicles with a clean Air Vehicles program sticker. Status: Signed by the Governor, Chapter 526, Statutes of 2014.

AB 1970 (Gordon) Community Investment and Innovation Program*: This bill would have established the Community Investment and Innovation Program to provide grants and other financial assistance to eligible local government recipients for the purpose of developing and implementing local greenhouse gas emissions reduction projects. Funding would have come from cap-and-trade auction revenues. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 2137 (Quirk) Small Business Energy Efficiency*: This bill requires the Office of Small Business Advocate within the Governor's Office of Business and Economic Development to include a link to the Energy Upgrade California Internet Web site on its homepage. Status: Signed by the Governor, Chapter 290, Statutes of 2014.

AB 2188 (Muratsuchi) Solar Roofs*: This bill requires each city and county to create an expedited permitting and inspection process for small, residential solar energy systems, alters the definition of what is a reasonable restriction on a solar energy system, and makes additional changes to the Solar Rights Act. Status: Signed by the Governor, Chapter 521, Statutes of 2014.

AB 2565 (Muratsuchi) Rental Property: Electric Vehicle Charging Stations*: This bill requires a landlord to approve a written request of a lessee to install an electric vehicle charging station at a parking space allotted for the lessee, if specified conditions are met, renders void any term in a residential or commercial lease renewed or extended on or after January 1, 2015, that conveys that either prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in a parking space. Status: Signed by the Governor, Chapter 529, Statutes of 2014.

AB 2593 (Bradford) Diversity Reporting*: This bill would have required businesses with gross annual revenues exceeding \$25 million that participate in programs administered by the Air Resources Board (ARB) that receive funding from the Greenhouse Gas Reduction Fund to report to ARB on efforts to increase procurement from women, minority, and disabled veteran business enterprises. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill would require a business enterprise with gross annual revenue exceeding \$25 million, participating in a program administered by the Air Resources Board that is funded from the Greenhouse Gas Reduction Fund, to report annually to the Air Board regarding supplier diversity procurement. Without question, I support the general goal, but this bill establishes a burdensome and expensive requirement for businesses with no clear way to ensure that supplier diversity would actually increase. Furthermore, State agencies are already taking action to report on diversity procurement and currently report to both the State and Federal governments on supplier diversity procurement contracts."

SB 4 (Pavley and Gray) Oil and Gas: Well Stimulation*: This bill establishes a comprehensive regulatory program for oil and gas well stimulation treatments (e.g., hydraulic fracturing, acid well stimulation), which includes, among other things, a study, the development of regulations, a permitting process, and public notification and disclosure. Statutes: Signed by the Governor, Chapter 313, Statutes of 2013.

SB 64 (Corbett) Clean Technology Investment Account*: This bill is substantially similar to AB 1375 (Chau). This bill creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund, and requires the Legislature to annually appropriate moneys from the Greenhouse Gas Reduction Fund or other funds to the Clean Technology Investment Account in the Budget Act. The bill makes these monies available to ARB for the purposes of providing grants to nonprofit public benefit corporations and regional technology alliances to design and implement programs that accelerate the development, demonstration, and deployment by companies and entrepreneurs of transformative technologies that reduce greenhouse gas emissions. Status: Held on the Suspense File for the Assembly Committee on Appropriations, 2014.

SB 73 (Senate Budget and Fiscal Review Committee) Proposition 39 Budget Trailer Bill*: This bill specifies the allocation of Prop 39 revenues available for K-12 local educational agencies and California Community College districts. This bill also appropriates \$3 million in Prop 39 revenues to the California Workforce Investment Board to develop and implement a grant program for community-based organizations and other training workforce organizations preparing disadvantaged youth or veterans for employment. Status: Signed by the Governor, Chapter 357, Statutes of 2013.

SB 418 (Jackson and Block) Nuclear Fission Powerplants*: This bill requires a detailed study of project needs and costs to be provided to the California Public Utilities Commission when requesting ratepayer funding for a nuclear power plant seeking relicensing from the U.S. Nuclear Regulatory Commission. Status: Died in the Assembly Committee on Utilities and Commerce, 2014.

SB 511 (Lieu) Climate Change Grants*: This bill would have required the Secretary of the Natural Resources Agency, in coordination with ARB, to develop guidelines for awarding grants for projects that enhance greenhouse gas emissions avoidance and sequestration associated with natural resources. Status: Held on the Suspense File of the Senate Committee on Appropriations, 2014.

SB 605 (Lara and Pavley) ARB Scoping Plan*: This bill, as passed by JEDE, requires the Air Resources Board (ARB), when updating the Scoping Plan, to prioritize specified actions that create jobs in California, reduce co-pollutants within the State, implement regulations and actions to reduce short-lived climate pollutants by 2016, and limit the use of offset credits to those originating and achieved within California to the extent feasible. The bill requires, as part of the Scoping Plan Update, that ARB include a plan to achieve the goals of AB 32 should any of the measures adopted by ARB not achieve their expected emissions reductions. The bill requires ARB to submit the criteria required by this bill to the Joint Legislative Budget Committee, and states that if the Scoping Plan Update is completed prior to January 1, 2014, it must be revised to include the requirements of this bill. The bill also would have appropriated up to \$125 million from the Greenhouse Gas Reduction Fund to ARB for expenditure in Fiscal Year 2013-14 for the benefit of disadvantaged communities. Status: Signed by the Governor, Chapter 523, Statutes of 2014 (different version than description).

SB 792 (DeSaulnier) Regional Entities: Bay Area*: This bill would have required the Bay Area's four regional agencies to adopt jointly a coordinated sustainable communities strategy (SCS) that, in addition to transportation and land use, considers air quality, sea level rise, priority infrastructure needs, and goals and policies related to economic development opportunities and social equity. The bill would have required the Metropolitan Transportation Commission to convene a public engagement advisory group to improve public participation in the next SCS. The bill would have also required the joint policy committee comprised of the four agencies to appoint an advisory committee on economic competitiveness. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill directs the Department of Industrial Relations, in consultation with the Department of Toxic Substances Control, to adopt regulations, on or before January 1, 2016, to establish performance standards for corrosion prevention work on projects designated as public works. Unfortunately, the development of these standards is outside of the jurisdiction and expertise of these departments. Using industry accepted standards for corrosion prevention and worker safety on public infrastructure projects is good policy and procurement requirements should ensure that all workers are properly trained and certified to do this critical work. Therefore I am directing the Department of Industrial Relations to incorporate industry accepted standards for corrosion prevention training into the appropriate apprenticeship programs. I am also directing the department

to work with the Standards Board to assess the adequacy of safety standards for workers engaged in corrosion prevention work and make necessary changes.

SB 798 (De León) Green Infrastructure Bank*: As heard by JEDE, this bill establishes the California Green Infrastructure Bank as a public corporation. The bill puts the bank under the direction of an executive director to be appointed by the Governor and subject to Senate confirmation. The bill authorizes the bank to issue loans and bonds that facilitate green economic development, and adds the bank to the list of investments eligible for funds from the Greenhouse Gas Reduction Fund. Status: This bill was amended in the Senate related to a different subject matter. Signed by the Governor, Chapter 367, Statutes of 2014.

SB 862 (Senate Committee on Budget and Fiscal Review) Cap-and-Trade Trailer Bill*: This bill establishes a long-term cap-and-trade expenditure plan, with 35% of revenues dedicated to transit, housing, and sustainable communities; 35% to high-speed rail; and 40% to low-carbon transportation and clean energy. Status: Signed by the Governor, Chapter 36, Statutes of 2014.

SB 1121 (De León) Climate Technology and Infrastructure Financing Act*: This bill would have established the California Climate Solutions Accelerator Account, within the California Infrastructure and Economic Development Bank Fund, for the purpose of financing eligible greenhouse gas emissions reduction projects. Status: Died on the Assembly Inactive File, 2014.

SB 1122 (Pavley) Sustainable Communities: Strategic Growth Council*: This bill would have allowed the Strategic Growth Council to manage and award financial assistance, from money in the Greenhouse Gas Reduction Fund, through a regional granting authority for the implementation of a sustainable communities strategy or alternative planning strategy to reduce greenhouse gas emissions, and to award financial assistance to a city, county, or regional agency for the development and implementation of specified land protection plans that reduce greenhouse gas emissions. Status: Held on the Suspense File in the Senate Committee on Appropriations, 2014.

SB 1204 (Lara and Pavley) Clean Off-Road Technology Program*: This bill establishes the California Clean Truck, Bus, and Off Road Vehicle and Equipment Technology Program, administered through the Air Resources Board and capitalized with cap-and-trade auction revenues, for the purpose of financing off-road vehicles, equipment and related technology projects. Status: Signed by the Governor, Chapter 524, Statutes of 2014.

Section V – Small Business Development and Operations

California's dominance in many economic areas is based, in part, on the significant role small businesses play in the state's \$2.2 trillion economy. Business owners, with no employees make up the single largest component of businesses in California, 2.8 million out of an estimated 3.5 million firms in 2010. Microenterprises, meaning businesses with less than five employees, represent approximately 93% of all businesses in the state, or approximately 3.2 million of all businesses. These non-employer and small employer firms create jobs, generate taxes, and revitalize communities. Common types of non-employer and microenterprises include engineering, computer system design, housekeeping, construction, landscaping, and personnel services.

These smaller size businesses function as economic engines, especially in challenging economic times. During the nation's economic downturn from 1999 to 2003, microenterprises created 318,183 new jobs or 77% of all employment growth, while larger businesses with more than 50 employees lost over 444,000 jobs. In this most recent recession the trend continued, with the number of nonemployer firms increasing from 2.6 million firms reporting \$137 billion in revenues for 2008 to 2.8 million firms reporting \$138 billion in revenues for 2010, based on federal tax returns. In the post-recession economy, these businesses are expected to become increasingly important due to their ability to be more flexible and better suited to meet niche market needs.

Their small size, however, also results in certain market challenges, including, but not limited to, having difficulty in meeting the traditional credit and collateral requirements of mainstream financial institutions. Specialized technical assistance, access to microloans, and collaborative marketing opportunities can help many microenterprises overcome or at least minimize these difficulties.

Using Entrepreneurship to Address Income Disparity

In understanding how business ownership can shift the income disparity dynamic, it may be useful to consider a 2011 Congressional Budget Office (CBO) report on after-tax incomes of American households. The CBO found that between 1979 and 2007, income for households at the higher end of the income scale rose much more rapidly than income for households in the middle and at the lower end of the income scale. Most significantly, by the end of the report period (2005 and 2007), the after-tax income received by the top 20% exceeded the after-tax income of the remaining 80%. **Chart 5** illustrates the CBO's findings in more detail.

Income Bracket	Income Earners	Percentile	Percentage Growth
1	Top 1%	100th	275%
2	Next 20%	81 st to 99 th	65%
3	Next 60%	20 th to 80 th	40%
4	Bottom 20%	1 to 19 th	18%

Source: "Trends in the Distribution of House Income Between 1979 and 2007," Congressional Budget Office, 2011

The two primary reasons for the increase in income disparities were the uneven distribution in the sources of household income and the differing economic circumstances of those sources during the 28-year report period. Households in the higher income brackets (1 & 2) received a majority of their income through capital gains and business income, which as a share of total income increased in value, while individuals in the bottom two brackets (3 & 4) received a majority of their income from

labor income and capital income, which decreased in value. With the recession, this income disparity has continued to increase, in part, because of the impact of long term unemployment on wages, a core component of labor income, and rental rates, a core component of capital income.

The findings in the report also suggest that policies that inhibit access to self-employment serve to reinforce income disparities and that policies which result in greater access, especially to historically underserved populations, could result in reversing the trend.

State Programs that Support Small Businesses

California currently provides several loan and loan guarantee programs including the Capital Access Program, administered through the State Treasurer's Office, and the Small Business Loan Guarantee Program (SBLGP), administered through the Small Business Finance Center at the I-Bank and a statewide network of small business financial development corporations.

In October 2010, Congress passed and the President signed the Small Business Jobs Act (Act). Among other things, the Act created the State Small Business Credit Initiative (SSBCI), which is authorized to expend up to \$1.5 billion for state sponsored small business finance programs. Over the life of the program, every federal dollar must be matched by 10 private sector dollars. September 2017 is the deadline for using the funds. Funding for the administration, outreach, and oversight of the program is primarily the responsibility of the state.

Under the funding formula, California is eligible to receive up to \$168 million, which is the largest amount of any state. California uses its moneys to capitalize the SBLGP administered through the I-Bank and a loss reserve program and collateral support program administered through the California Pollution Control Financing Authority at the state Treasurer's Office.

California has encumbered over \$70.5 million and created or retained more than 31,042 jobs with the SSBCI funding. By the close of 2014, the state will apply for its third and final transfer of funding. The Legislature and the Governor also established the California Competes Tax Credit which requires that 20% of the credit be annually awarded to small businesses, [AB 93 (Assembly Committee on Budget), Chapter 69, Statutes of 2013 and SB 90 (Galgiani and Cannella), Chapter 70, Statutes of 2013].

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to small business and microenterprise. Small business procurement legislation is separately listed in the following section, "Disabled Veteran Business Enterprises (DVBE) and Small Business Procurement." Legislation not heard by JEDE is marked with an *.

AB 9 (Holden) Qualified Employee Definition for Enterprise Zone Tax Credit: This bill would have modified the enterprise zone hire credit conditions by requiring employees receive a qualified wage that exceeds an average monthly wage of \$2,000 and expands the definition of a qualified employee by expanding the dislocated worker requirements to reflect recent economic considerations. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 28 (V. Manuel Pérez) Enterprise Zone Restructuring: This bill would have made six programmatic and fiscal improvements to the geographically-targeted economic development area programs, in relation to cost, transparency, and accountability. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 93 (Assembly Committee on Budget) California Competes Tax Credit and State Sales and Use Tax Exemption*: This bill institutes three new tax programs, a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases; a California Competes tax credit for attracting and retaining major employers; and a hiring credit under the Personal Income Tax and Corporation Tax for employment in specified geographic areas. Additionally, the bill results in the phasing-out and ending of certain tax provisions related Enterprise Zones and similar tax incentive areas, and ending the current Small Business New Jobs Credit tax incentive program. The California Competes tax credit has a 20% set aside for small businesses. Status: Signed by the Governor, Chapter 69, Statutes of 2013.

AB 106 (Assembly Committee on Budget) California Competes: Technical Changes 2 of 3*: This bill makes technical clarification to the Enterprise Zone Program that is set to expire on December 31, 2013, according to SB 90 and AB 93. Status: Signed by the Governor, Chapter 355, Statutes of 2013.

AB 201 (Holden) Small Business Financial Development Corporations Notice: This bill requires the names of the financial institution and financing companies that make direct loans to small businesses to be posted on the Office of the Small Business Advocate website. Status: Signed by the Governor, Chapter 529, Statutes of 2013.

AB 250 (Holden and V. Manuel Pérez) Codification of California Innovation Hubs: This bill codifies and expands the California Innovation Hub Program at GO-Biz for the purpose of stimulating economic development and job creation through the regional coordination of federal, state, and local innovation-supporting resources. Status: Signed by the Governor, Chapter 530, Statutes of 2013.

AB 285 (Brown) Scope of Practice for the California Workforce Investment Board: This bill would have required the California Workforce Investment Board to make recommendations and provide technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment boards. The bill would have also deleted certain required duties of the California Workforce Investment Board and made changes to the definition of microenterprise. Status: Vetoed by the Governor, 2013. "This bill, like SB 118, deals with the California Workforce Investment Board and various aspects of job training. Unlike SB 118, it is overly prescriptive in the way it directs the Board to provide technical assistance for entrepreneurial training and to make recommendations. I believe this unduly infringes on the Board's authority and discretion."

AB 305 (V. Manuel Pérez) New Markets Tax Credit: This bill would have created a \$200 million state New Markets Tax Credit Program for the purpose of stimulating economic development and hastening California's economic recovery. In order to qualify businesses would have had to have less than 350 employees. In general, the new state credit paralleled the federal New Markets Tax Credit. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 366 (Holden) Women, Minority, and Disabled Veteran Business Enterprises: This bill modifies the definitions for minority owned business, women owned business, and disabled veteran owned business enterprise to encourage contracting with publicly held companies. Status: Died in the Assembly Committee on Appropriations, 2014.

AB 393 (Cooley) GO-Biz Website*: This bill requires the Director of GO-Biz to ensure that the GO-Biz website contains information on the fee requirements and fee schedules of state agencies. Status: Signed by the Governor, Chapter 124, Statutes of 2013.

AB 483 (Ting) Local Government Tax and Fee Definitions*: This bill defines “specific benefit” and “specific government service” for the purpose of determining whether a levy is a tax pursuant to Article XIII C of the California Constitution and Prop 26 (2010). Status: Signed by the Governor, Chapter 552, Statutes of 2013.

AB 667 (Hernández) Project Reviews of Superstores*: This bill would have required a city, county, or city and county, including a charter city, prior to approval or disapproval of a proposed development project to permit the construction of a superstore retailer, or where a superstore would be the recipient of a specified amount of financial assistance to cause an economic impact report to be prepared, to be paid for by the project applicant, to assess the effect such superstore will have on economic assistance areas, retail operations and employment in the same market area. Status: Died in the Senate Committee on Governance and Finance, 2014.

AB 674 (Quirk-Silva) Microenterprise Definition: This bill updates the definition of microenterprise and microenterprise development organizations to more accurately reflect industry practices. These definitions will be used in making public policy better address the needs of California's smallest sized businesses. Status: Signed by the Governor, Chapter 101, Statutes of 2014.

AB 780 (Bocanegra) Small Business Financial Development Corporation Funding: This bill would have appropriated \$2 million to provide administrative funding to the state's small business financial development corporations, specifying that each is eligible to receive \$150,000, and brings them under the jurisdiction of GO-Biz. Status: Held on the Suspense File of the Senate Committee on Appropriations, 2013.

AB 837 (Campos) Economic Development Program Reporting: As passed by JEDE, this bill would have required annual reporting to GO-Biz from the Small Business Development Center Leadership Council on its activities in any year that the state contributes funds. Amendments taken in the Senate deleted the content of the bill and added language relating to CalPERS with Assemblymember Wieckowski as the author. Status: Vetoed by the Governor, 2014. The veto message reads: "This measure creates an exemption to the California Public Employees' Pension Reform Act of 2013. I am unwilling to begin chipping away at these reforms."

AB 1098 (Quirk-Silva) Small Business Regulation Report: As passed by JEDE, this bill would have directed the Office of Small Business Advocate within GO-Biz to commission a study of the costs of state regulations on small businesses every five years. Amendments taken in the Senate deleted the content of the bill and added language relating to legal documents provided over the internet with Assemblymember Gray as the author. Status: Died in the Senate Committee on Rules, 2014

AB 1247 (Medina and Bocanegra) Small Business Finance Center: This bill establishes the California Small Business Finance Center at the I-Bank, within the Governor's Office and Economic Development, and transfers the authority to administer the small business loan guarantee program and other related programs to the I-Bank. Status: Signed by the Governor, Chapter 537, Statutes of 2013.

AB 1260 (Medina) Definition of a California Family Owned Business: This bill would have provided a statutory definition for California family owned business. Status: Vetoed by the Governor, 2014. [add veto message] ***AB 1260 (Medina) Family Owned Business*:*** This bill would have authorized the term California Family Owned Business to be applied to businesses that are family-owned, family-managed, have been in business for 10 years, maintain their principal office in California, and demonstrate intent to maintain continuity across generations. Status: Vetoed by the Governor, 2014. "Family-owned businesses have an important role in our state and local economies and I am supportive of efforts that recognize their vital contributions. I am concerned, however, that adding a definition of "California Family Owned Business" in statute with no legal or programmatic purpose will not achieve the bill's intended purpose."

AB 1399 (Medina and V. Manuel Pérez) New Markets Tax Credit: This bill would have established the California New Market Tax Credit for businesses that invest in low-income communities, mirroring the federal New Market Tax Credit. Status: Vetoed by the Governor, 2014. "I certainly endorse programs that result in private investments to help low income areas, but a bill to spend this much should be considered with other priorities during the annual budget."

AB 1769 (Dababneh) LLC Fee Exception*: This bill would have eliminated the annual fee imposed on limited liability companies for small businesses, as defined, for their first two years of operation. Status: Died in the Assembly Committee on Revenue and Taxation, 2014.

AB 2096 (Muratsuchi) Securities Transactions: Small Company*: This bill would have created a new way in which a person seeking to offer or sell securities could qualify their offering, by authorizing the "qualification by notification" of offers or sales of securities advertised by means of general solicitation and general advertising, as specified. Status: Held on the Suspense File in the Senate Committee on Appropriations, 2014.

AB 2137 (Quirk) Small Business Energy Efficiency*: This bill requires the Office of Small Business Advocate within the Governor's Office of Business and Economic Development to include a link to the Energy Upgrade California Internet Web site on its homepage. Status: Signed by the Governor, Chapter 290, Statutes of 2014.

AB 2188 (Muratsuchi) Solar Roofs*: This bill requires each city and county to create an expedited permitting and inspection process for small, residential solar energy systems, alters the definition of what is a reasonable restriction on a solar energy system, and makes additional changes to the Solar Rights Act. Status: Signed by the Governor, Chapter 521, Statutes of 2014.

AB 2466 (Nestande) Small Business Exception Franchise Fee*: This bill would have reduced the minimum franchise tax, for taxable years beginning on or after January 1, 2015 and before January 1, 2018, to \$99 for a corporation or a limited liability company that is a new veteran-owned small business, and eliminated the tax if the business operates at a loss or ceases operation. Status: Held in the Assembly Committee on Appropriations, 2014.

AB 2624 (Medina) "Made in North America" Labeling*: This bill would have established an optional label of "Made in North America" for products. Amendments proposed and adopted in the Senate Judiciary Committee rendered the measure unworkable, from the author's standpoint and the bill was moved to the Senate Inactive File. Status: Died on the Senate Inactive File, 2014.

AB 2670 (Medina) Small Business Technical Assistance Act of 2014: This bill would have recognized the import role that the federal Small Business Development Center program, the Women's Business Center program, the Service Corps of Retired Executives, the Veteran Business Outreach Center program, and Procurement Technical Assistance Center program, play in California and designates the Governor's Office of Business and Economic Development as the lead state entity for overseeing the state's participation and collaboration with these important federal small business technical assistance programs. Status: Held one the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 2717 (Bonta/Skinner) Appropriation for Small Business Development Center Program: This bill would have appropriated \$6 million from the General Fund to the California Economic Development Fund for the purpose of providing a cash match for the administrative lead centers that have contracts with the U.S. Small Business Administration to administer the regional networks of Small Business Development Centers. Status: Held one the Suspense File in the Assembly Committee on Appropriations, 2014. Funding was, however, provided in the budget.

AB 2723 (Medina) Small Business Regulatory Reform: This bill would have made clarifying changes to the Administrative Procedure Act to include "sole proprietorships" and "small business" in the required standardized regulatory impact analysis when a state agency proposes to adopt, amend, or repeal a major regulation. Status: Vetoed by the Governor, 2014. "I certainly endorse programs that result in private investments to help low income areas, but a bill to spend this much should be considered with other priorities during the annual budget."

ACR 48 (Allen) Start a Small Business Month: This resolution declares "May 2013" as "Start a Small Business Month," expresses the Legislature's support of the Governor's efforts in supporting small businesses, and declares that there are key actions that the Legislature should take to further the success of small businesses in California. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

HR 17 (Medina) Small Business Month: This resolution declares "June 2013" as "Small Business Month," and expresses the Legislature's support for small business and continuing commitment to key investments in infrastructure, new technologies, and an education system that makes California an even better place to do business. Status: Adopted, 2013.

SB 12 (Corbett) "Made in California" Labeling*: This bill establishes the "Made in California Program" within the Governor's Office of Business and Economic Development for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California. In order to qualify, the product must meet the state standard for being "Made in the U.S." and have at least 61% of the components and assembly be from California. Status: Signed by the Governor, Chapter 541, Statutes of 2013.

SB 90 (Galgiani) California Competes: Technical Changes 1 of 3*: This bill makes various technical changes related to the California Competes Tax Credit Program in AB 93. This bill is only operative if AB 93 is chaptered and becomes operative. Status: Signed by the Governor, Chapter 70, Statutes of 2013.

SB 100 (Senate Committee on Budget and Finance) California Competes 3 of 3: Technical Changes*: This bill is a trailer bill that, among other things, makes various technical changes related to the California Competes Tax Credit Program in AB 93. Status: Signed by the Governor, Chapter 360, Statutes of 2013.

SB 176 (Galgiani) Outreach on Administrative Procedures*: This bill would have amended the Administrative Procedure Act by requiring state agencies to make a reasonable effort to outreach and provide notice to affected entities when developing regulations. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

SB 209 (Lieu) Qualified Small Business Stock Income Tax*: This bill partially reinstates tax exclusion and deferral allowances on income from the sale of qualified small business stock and waves all penalties and interest for taxes assessed as a result of the related statutes being found unconstitutional as a result of *Cutler v. Franchise Tax Board*. Status: Signed by the Governor, Chapter 543, Statutes of 2013.

SB 610 (Jackson) Franchisee Contracts*: This bill would have revised various provisions of the California Franchise Relations Act with respect to termination or transfer of a franchise, as well as the right of association among franchisees. Status: Vetoed by the Governor, 2014. "This bill alters the relationship between franchisors and franchisees by, among other things, changing the standard required to terminate a franchise agreement from "good cause" to a "substantial and material breach." While the "good cause" standard is common and well understood, the standard provided in this bill is new and untested. The bill's changes would significantly impact California's vast franchise industry that relies on the certainty of well-settled laws. I am open to reforming the California Franchise Relations Act to give more protections to franchisees if there are indeed unacceptable or predatory practices by franchisors. I need, however, a better explanation of the scope of the problem so I am certain that the solution crafted will fix those problems and not create new ones. Additionally, the parties supporting and opposing this bill have diametrically different views. Given the polarized positions, it is in the best interest of all that a concerted effort be made to reach a more collaborative solution."

SB 661 (Hill) "Made in America" Labeling*: This bill would have provided that merchandise made, manufactured or produced in the U.S. that has an article, unit, or part from outside of the U.S. may be sold in California as "Made in U.S.A." or "Made in America" if the merchandise meets all of the following requirements:

- the manufacturer of the merchandise certifies that it can neither produce the foreign article, unit, or part within the United States nor obtain the foreign article, unit, or part from a domestic source;
- the article, unit, or part of the merchandise obtained from outside the United States constitutes only a negligible part of the final manufactured product; and
- the determination that the article, unit, or part of the merchandise cannot be produced or obtained within the United States from a domestic source is not based on the cost of the article, unit, or part.

Status: Died in Senate Committee on Judiciary, 2014.

SB 752 (Roth) Commercial and Industrial Common Interest Developments*: This bill separates the laws governing commercial and industrial Common Interest Developments from the laws governing residential Common Interest Developments and generally makes the operational provisions of current law inapplicable to commercial and industrial Common Interest Developments. Status: Signed by the Governor, Chapter 605, Statutes of 2013.

Section VI – Disabled Veteran Business Enterprises and Small Business Procurement

The Small Business Act, administered through the Department of General Services (DGS), was implemented more than 30 years ago to establish a small business preference within the state's procurement process that would increase the number of contracts between the state and small businesses. In 1998, a disabled veteran-owned business enterprise (DVBE) component was added. State certification of small businesses, including microbusinesses, and DVBEs is generally the responsibility of DGS.

The Small Business Act states that it is the policy of the State of California that the state aid the interests of small businesses in order to preserve free competitive enterprise and to ensure that a fair portion of the total purchases and contracts of the state be placed with these enterprises. The statute further states that DVBE participation is strongly encouraged to address the special needs of disabled veterans seeking rehabilitation and training through entrepreneurship and to recognize the sacrifices of Californians disabled during military service. Statute sets an annual 3% DVBE participation goal and a 25% goal for small and microbusinesses.

The state's success in obtaining the DVBE and small business participation has been inconsistent. Since 2001, when the first executive order set the 25% small business participation target, the state has met its goal only four times. In the most recent report on procurement, 2012-13, DGS reported that \$2 billion (22.26%) out of over \$9 billion of all state contracts were awarded to small businesses.

The 3% DVBE participation goal has been met five times including every year for past four report years: 2009-10, 2010-11, 2011-12, and 2012-13. In 2012-13, \$267 million out of a total of \$8.5 billion (3.12%) was awarded to DVBEs. The base amounts used to calculate the small business and DVBE goals vary among reporting periods because purchasing categories associated with inmates, such as inmate day labor and medical expenses, as reported by the Department of Corrections and Rehabilitation, are statutorily exempted from DVBE participation.

Over the years, the DGS has cited a variety of reasons for state agencies failing to meet the small business procurement participation goals. In its 2012-13 consolidated report, DGS states that the state's inability to meet its goals is directly related to the state's five largest contracting entity's ability to meet their target. In the report period, only one (State Hospitals) met its target, while the Department of the Health Care Services, Water Resources, Transportation, and Corrections and Rehabilitation failed.

Small business believe a significant factor in failing to meet the 25% participation goals is the increasing number of mega contracts often exceeding \$1 million in value. While once only an issue in state highway construction contracts, in the past few years, the practice of bundling small size contracts has increased. The state departments don't necessarily disagree that the use of mega-contracts has increased, but believe that larger contracts provide extra value to the state. Mega-contracts are an issue that may be appropriate for further legislative oversight. Other issues limiting small business participation include:

- Meeting minimum liquidity requirements to cover the cost of materials and staffing until the state makes its payment for services often 30 to 60 days after the services are rendered;
- Qualifying for and/or affording surety bonds and liability insurance policies that are required for public works contracting; and
- Having access to a local workforce that is trained and qualified to undertake specialized work.

DGS has also noted that many state departments and agencies have only recently begun to track and report small business participation in state contracting procurement. For example, 2005-06 was only the second year that the California State University system monitored and reported on small business contracts. The University of California does not report.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to DVBEs and small business procurement. Legislation not heard by JEDE is marked with an *.

AB 172 (Weber) State Contracting Microbusiness: This bill would have increased the microbusiness procurement preference from 5% to 7% for state contracts to purchase goods, services, information technology, and construction of state facilities, and allowed the preference to be awarded to either a microbusiness bidder or a non-microbusiness bidder that uses a microbusiness subcontractor. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 366 (Holden) Women, Minority, and Disabled Veteran Business Enterprises: This bill modifies the definitions for minority owned business, women owned business, and disabled veteran owned business enterprise to encourage contracting with publicly held companies. Status: Died in the Assembly Committee on Appropriations, 2014.

AB 550 (Brown) State Procurement Procedures for Small Businesses: This bill would have made key changes to state procurement procedures for the purpose of increasing small business, including microbusiness, and disabled veteran-owned business enterprise participation rates. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 668 (Gray) Economic Disaster Area Priority: This bill requires the state to give priority consideration to areas declared an economic disaster area when expending certain state moneys. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 1198 (Jones-Sawyer) Public Contract Prohibition based on Employment Practices*: This bill would have prohibited the state from accepting a bid for a contract from an entity that asks an applicant for employment to disclose his or her conviction history unless the employer has determined the applicant meets the minimum qualifications for the position. Status: Died in the Assembly Committee on Accountability and Administrative Review, 2014.

AB 1568 (Grove) Quotes for Public Contracts*: This bill would have required state agencies that opt to acquire goods, services, or information technology through a specified small business and disabled veteran business enterprise contracting option to solicit at least three price quotes, and obtain

at least two quotes before awarding the contract. Status: Held on the Suspense File in the Senate Committee on Appropriations, 2014.

AB 1602 (Patterson) Roadside Rest Stops: Utility Costs and Business Enterprises for the Blind*: This bill would have required Caltrans to pay for all utility costs associated with vending machines at roadside rest areas operating under the Business Enterprise Program for the Blind. Status: Held on the Suspense File in the Senate Committee on Appropriations, 2014.

AB 1650 (Jones-Sawyer) Prior Conviction History*: This bill provides that state contractors must determine an on-site construction-related job applicant's minimum qualifications before obtaining and considering information regarding the applicant's criminal conviction history. Status: Signed by the Governor, Chapter 880, Statutes of 2014.

AB 1678 (Gordon) Women, Minority, Disabled Veteran, LGBT Businesses*: This bill extends provisions that require investor owned electrical, gas, water, wireless telecommunication service providers, and telephone corporations to encourage, recruit, and utilize minority, women, disabled veteran owned business enterprises to Lesbian, Gay, Bisexual, and Transgender business enterprises. Status: Signed by the Governor, Chapter 633, Statutes of 2014.

AB 1734 (Jones-Sawyer) Public contracts: Small Business Participation: Disabled Veterans: This bill would have required each state agency to establish and achieve a 25% small business participation goal and increased the annual procurement participation goal for disabled veteran business enterprise from 3% to 5% of the value of state contracts. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 1857 (Frazier) Best Value Procurement*: This bill authorizes the Department of General Services, until January 1, 2021, to purchase and equip heavy mobile fleet vehicles and special equipment for use by the Department of Transportation by means of best value procurement, establishes requirements for bid evaluation and protest procedures as specified. Status: Signed by the Governor, Chapter 381, Statutes of 2014.

AB 1988 (Chávez) North County Transit District: Flexible Procurement Process*: This bill would have increased compensation for North County District directors to \$150 per day, not to exceed \$600 in any month, and would have revised and recast the district's authority to enter into contracts by requiring the board of directors to establish and use a specified flexible procurement process to maximize the efficient use of public funds. Status: Died in the Assembly Committee on Local Government, 2014.

AB 2022 (Medina) Target Area Contract Preference Act*: This bill redefines a distressed area for the purpose of the Target Area Contract Preference Act (TACPA). With the elimination of household income from the decennial census, as well as other changes in data collection, the state has been unable to update the TACPA geographic boundaries. The bill aligns the definition of distressed area to that being used in the New Hire Credit, which is an area in the top quartile of census tracts for having the highest unemployment and poverty. Status: Signed by the Governor, Chapter 780, Statutes of 2014.

AB 2278 (Weber) State Agency Contracts: Small Business: This bill would have revised the maximum amount of a bid preference that may be applied to the award of a state contract for certified

California small businesses and California businesses that perform 50% of the work within a distressed area under the Target Area Contract Preference Act. Status: Held one the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 2387 (Pan) Peace Officer Training*: This bill exempts the Commission on Peace Officer Standards and Training (POST) from specified notification requirements when entering into personal services contracts, as specified; and exempts both POST and the Office of Emergency Services from the requirement of obtaining three competitive bids when those contracts are solely for the services of instructors for public safety training. Status: Signed by the Governor, Chapter 504, Statutes of 2014.

AB 2447 (Cooley) Public Contracts: Sacramento Regional Transit District*: This bill would have raised the bid threshold from \$5,00 to \$25,000 over which the Sacramento Regional Transit District must award construction contracts for transit works for transit facilities to the lowest responsible bidder. Status: Died in the Assembly Committee on Local Government, 2014.

AB 2565 (Muratsuchi) Rental Property: Electric Vehicle Charging Stations*: This bill requires a landlord to approve a written request of a lessee to install an electric vehicle charging station at a parking space allotted for the lessee, if specified conditions are met, renders void any term in a residential or commercial lease renewed or extended on or after January 1, 2015, that conveys that either prohibits or unreasonable restricts the installation or use of an electric vehicle charging station in a parking space. Status: Signed by the Governor, Chapter 529, Statutes of 2014.

AB 2593 (Bradford) Diversity Reporting*: This bill would have required businesses with gross annual revenues exceeding \$25 million that participate in programs administered by the Air Resources Board (ARB) that receive funding from the Greenhouse Gas Reduction Fund to report to ARB on efforts to increase procurement from women, minority, and disabled veteran business enterprises. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill would require a business enterprise with gross annual revenue exceeding \$25 million, participating in a program administered by the Air Resources Board that is funded from the Greenhouse Gas Reduction Fund, to report annually to the Air Board regarding supplier diversity procurement. Without question, I support the general goal, but this bill establishes a burdensome and expensive requirement for businesses with no clear way to ensure that supplier diversity would actually increase. Furthermore, State agencies are already taking action to report on diversity procurement and currently report to both the State and Federal governments on supplier diversity procurement contracts."

AB 2675 (Lowenthal) State Agency: Public Contracts*: This bill requires by January 1, 2020 state agencies that purchase products specified in the State Agency Buy Recycled Campaign to increase the threshold of recycled purchases from 50% to 75%, except for paint, antifreeze, and tires. Status: Signed by the Governor, Chapter 617, Statutes of 2014.

AB 2682 (Wagner) Responsible Small Business and DVBE Contractors*: This bill would have required a state agency that solicits offers, awards a contract, or consents to subcontracts, under the Small Business Procurement and Contract Act, to do so only with responsible and reliable parties. Prohibits a state agency from allowing a party to participate in any procurement activity if the party has been suspended, debarred, or otherwise excluded from participation in a state contract. Status: Died in the Assembly Committee on Accountability and Administrative Review, 2014.

AB 2722 (Ridley-Thomas) Los Angeles County Metropolitan Transportation Authority:

Contracting*: This bill would have authorized the Los Angeles County Metropolitan Transportation Authority (LACMTA) to expand small business contract preference provisions to professional services contracts involving private architectural, landscape architectural engineering, land surveying, or construction management. The bill would have provided similar preferences with respect to disabled veteran business enterprises. The bill would have allowed the preferences to be in an amount of up to 10% of the lowest responsible bidder. The bill would have authorized LACMTA to establish a mandatory subcontracting participation goal for small business or disabled veteran business enterprises on contracts financed with nonfederal funds and to set additional guidelines for local preference purposes. The bill would have authorized the LACMTA to award certain contracts of specified values to small business or disabled veteran business enterprises if LACMTA obtains price quotations from two or more of those businesses, or to small businesses or disabled veteran business enterprises that are the lowest responsible bidder or best value proposer among those businesses. The bill would have authorized LACMTA, in general, to award annual contracts that do not exceed \$3,000,000 for repair or repetitive work to be done according to unit prices. Status: Died in the Assembly Committee on Local Government, 2014.

SB 297 (Roth) Public Contracts and Disabled Veterans: This bill increases the annual statewide participation goal for disabled veteran business enterprises applicable to certain state contracts, from 3% to 5%. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

SB 733 (Block) Disabled Veteran Business Enterprise Participation Goals: This bill deletes provisions of law allowing an awarding department to accept submission of a disabled veteran business enterprise utilization plan to meet the 3% statewide participation goal for awarded contracts. The bill authorizes, instead, a new review process for demonstrating a business's long-term commitment to using veteran-owned businesses. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

SB 839 (Correa) Contracting with Veterans*: This bill would have would have modified reporting requirements for state departments with respect to disabled veteran business enterprises (DVBEs) including contracts where the DVBE acted as the prime and as a subcontractor. Status: Held on the Suspense File in the Senate Committee on Appropriations, 2014.

Section VII – International Trade

International trade is an important component of California's \$2.2 trillion economy, supporting 4.4 million California jobs. The importance of trade to the California economy is increasing as a percentage of California jobs tied to trade more than doubled from 1992 to 2011, 10.6% v. 22.0%. Exports from California accounted for over 10.6% (\$168 billion) of total U.S. exports in goods, shipping to over 220 foreign destinations in 2013.

California's significance in the global marketplace results from a variety of factors, including: its strategic west coast location, providing direct access to the growing markets in Asia; its diverse regional economies; its large, ethnically diverse population, representing both a ready workforce and significant consumer base; its access to a wide variety of venture and other private capital; its broad base of small- and medium-sized businesses; and, its culture of innovation and entrepreneurship, particularly in the area of high technology.

California's largest industry sector by employment is Trade, Transportation, and Utilities, which encompasses everything from major retail outlets, to import-export businesses, to transportation and warehousing. California leads the nation in export-related jobs. The U.S. Department of Commerce estimates that for every one million dollars of increased trade activity, 11 new jobs are supported. Workers in trade-related jobs earn on average 13% to 28% higher wages than the national average.

Exports and Imports

Manufacturing is California's most export-intensive activity, contributing significantly to the value of California's \$168 billion in exports in 2013. Overall, manufacturing exports represent 9.4% (\$120 billion in goods) of California's GDP, and computers and electronic products constitute 27.6% of the state's total manufacturing exports. More than one-fifth (21.9%) of all manufacturing workers in California directly depend on exports for their jobs.

Besides the production and/or manufacturing of the product being exported, foreign trade results in numerous jobs related to port activity, wholesale trade, warehousing, and transportation. Small businesses played a key role in the state's export market by both exporting themselves and in selling goods and services to other companies that ultimately export. **Chart 6** includes information on the major goods California exported in 2013.

Chart 6 - 2013 Exports From California to the World (numbers/percentages rounded)		
Product	Value	Percent
334 Computers & Electronic Prod.	\$42.3 billion	25.0%
336 Transportation Equipment	\$17.7 billion	10.5%
333 Machinery (except electrical)	\$15.1 billion	8.9%
339 Misc. Manufacture Commodities	\$14.6 billion	8.7%
111 Agricultural Products	\$13.7 billion	8.1%
All Others	\$64.6 billion	38.4%
Total	\$168 Billion	100 %

Source: Tradestates.com

In today's globally linked economy, manufacturing utilizes products from across the U.S., as well as from other nations. In 2012, 61% (\$1.3 trillion) of the products imported into the U.S. were inputs and components used by American producers. In addition, U.S. imports often include components

and required services provided by U.S. firms, including products designated and manufactured in California semiconductors and design.

Mexico is California's top trading partner, receiving \$23.9 billion (14.2%) in goods in 2013. The state's second and third largest trading partners are Canada and China with \$18.8 billion (11.1%) and \$16.3 billion (9.7%) in exports respectively. Other top-ranking export destinations include Japan, South Korea, Hong Kong, Taiwan, Germany, the Netherlands and the United Kingdom.

California imported \$380 billion in products in 2012 with China being the largest source of imports into California. The 2013 value of Chinese imports was \$130 billion. China is followed by Japan (\$38.3 billion); Mexico (\$36.2 billion); Canada (\$26.3 billion); and South Korea (\$13 billion).

California's top five imports in 2013 were: Computer & Electronic Products (\$109.2 billion); Transportation Equipment (\$62.9 billion); Oil & Gas (\$29.6 billion); Miscellaneous Manufactured Commodities (\$20.1 billion); and Apparel & Accessories (\$19.9 billion).

Moving these products requires a highly integrated infrastructure and logistical network that links raw materials with manufacturers and distribution systems.

Foreign Investment

Another important component of California's trade economy is foreign investment. California receives more foreign direct investment (FDI) than any other state in the U.S., which is significant since the U.S. is the largest receiver of FDI in the world. The California economy benefits from FDI in many ways, some of which include assisting in the creation of jobs, boosting worker wages, increasing exports, bringing in new technology and skills, and generally strengthening the state's manufacturing base.

The Brookings Institute estimates that over 593, 130 California workers benefit from jobs with foreign-owned firms, which accounts for 5% of all private sector jobs in the state. Approximately 11% of all U.S. workers at foreign-owned firms are located in California, which has had the highest level of employment in foreign-owned firms since at least 1997. According to the Business Roundtable, there are:

- 110,000 companies in California that are headquartered in Japan;
- 78,500 companies in California that are headquartered in the United Kingdom;
- 59,200 companies in California that are headquartered in France; and
- 58,900 companies in California that are headquartered in Switzerland.

Along with employment, foreign-owned firms own more property, plants, and equipment in California than in any other state.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to international trade and foreign investment in California. Legislation not heard by JEDE is marked with an *.

AB 14 (Lowenthal) State Freight Plans*: This bill requires the state's Transportation Agency to prepare a state freight plan and establish a freight advisory committee. Status: Signed by the Governor, Chapter 223, Statutes of 2013.

AB 53 (John A. Pérez) California Economic Development Strategic Plan: This bill would have required GO-Biz to lead the preparation of the biennial California Economic Development Strategic Plan, as specified. In addition, the bill required a copy of the federally required Worker Adjustment and Retraining Notification Act notice be posted on the EDD website and be provided to GO-Biz. Status: Vetoed by the Governor, 2013. The veto message reads: "This bill requires the Governor's Office of Business and Economic Development (GO Biz) to prepare the California Economic Development Strategic Plan and a triennial report to the Legislature. GO Biz is now implementing the state's new economic development initiative that Speaker Pérez helped make possible earlier this year. In addition, thanks to legislation authored by Speaker Pérez, GO Biz is expanding direct foreign investment, promoting export of California products, removing unnecessary government barriers for businesses, and helping large and small businesses innovate, grow, and prosper in California. For all these reasons, I don't think a study and report will bring any additional focus to our efforts."

AB 147 (V. Manuel Pérez) I-Bank California-Mexico Border Assistance: This bill would have expanded the role of the I-Bank to include facilitating infrastructure and economic development financing activities within the California and Mexico border region. Status: Died in the Senate Committee on Rules, 2014.

AB 311 (V. Manuel Pérez) I-Bank California-Mexico Border Assistance: This bill would have expanded the role of the I-Bank to include facilitating infrastructure and economic development financing activities within the California and Mexico border region. Status: Died in the Assembly Committee on Appropriations, 2014.

AB 337 (Allen) Economic Development: International Trade and Investment Strategy: This bill adds specificity to the development and content of the state international trade and investment strategy (ITI Strategy), which is an existing report requirement of the Governor's Office of Business and Economic Development (GO-Biz). This bill requires the ITI Strategy to be based on current and emerging market conditions and the needs of investors, businesses, and workers. Specific new content requirements include the addition of a framework, which can be used by GO-Biz to evaluate the changing needs of business during the five-year term of the ITI Strategy. Status: Signed by the Governor, Chapter 776, Statutes of 2014.

AB 412 (Allen) California International Trade Study: This bill would have required GO-Biz to undertake a study of the potential roles for the state in global markets. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 600 (Bonta) Intermodal Marine Terminals: Truck Equipment Moves: As heard by the Assembly Committee on Transportation, this bill would have established conditions for the movement of intermodal marine equipment by intermodal motor carriers and truck operators at marine terminals. This bill was amended to address a different subject. Status: Signed by the Governor, Chapter 139, Statutes of 2014.

AB 628 (Gorell and Hall) Energy Management Plans for Harbors and Port Districts: This bill authorizes a harbor or port district to prepare one or more energy management plans in order to reduce air emissions and promote economic development. Status: Signed by the Governor, Chapter 741, Statutes of 2013.

AB 690 (Campos and Medina) State Government: International Relations: This bill repeals and recasts statutory provisions relating to the California-Mexico Border Relations Council and adds the Director of the Governor's Office of Business and Economic Development to its membership. Status: Signed by the Governor, Chapter 716, Statutes of 2014.

AB 886 (Allen and Ian Calderon) Importer-Exporter Tax Credit: This bill would have authorized a five-year \$500 million tax credit program for importers and exporters that increase cargo through in-state airports and seaports, hire additional staff, or incur capital costs at a California cargo facility. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 978 (Blumenfield) Iran Financial Sanction Compliance: This bill requires state-chartered financial institutions to certify compliance with the federal Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010. Status: Signed by the Governor, Chapter 139, Statutes of 2013.

AB 1067 (Medina) EB-5 Immigration Oversight: This bill establishes the California Foreign Investment Program within GO-Biz to oversee the state's participation in the federal EB-5 foreign investment visa program. Among other things, this office will set the terms and conditions regarding the designation of targeted employment areas, as related to the EB-5 visas. Status: Signed by the Governor, Chapter 535, Statutes of 2013.

AB 1081 (Medina) Governor's Five-Year Infrastructure plan: Goods Movement: This bill would have required the Governor's annual five-year infrastructure plan to address infrastructure needs related to goods movement in the state, including recommendations for private sector financing, as specified. Status: Held on the Suspense in the Senate Committee on Appropriations, 2013.

AB 1088 (Muratsuchi) GO-Biz Trade Office in Japan: This bill directs GO-Biz to establish a trade office in Tokyo, Japan by 2016. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 1166 (Blumenfield) California Trade with Israel: This bill directs GO-Biz to develop an International Trade and Investment Program, and to formalize California- Israel economic relations. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 1400 (Assembly Committee on Jobs, Economic Development, and the Economy) Export Document Certificates: This bill modifies the state's Export Document Program to accept requests electronically, expedite approval of existing labels, and extend the term of the export labels from 180 days to 365 days, in order to alleviate backlog of exports of food, drug, and medical devices. Status: Signed by the Governor, Chapter 539, Statutes of 2013.

AB 1422 (Assembly Committee on Jobs, Economic Development and the Economy) California Alternative Energy and Advanced Transportation Financing Authority: This bill clarifies the definition of "participating party", used by the California Alternative Energy and Advanced

Transportation Financing Authority (Authority) under their Sales and Use Tax Exclusion Program, to include out-of-state entities that demonstrably commit to opening a manufacturing facility within California. The bill also repeals a requirement that GO-Biz issue a report about advanced manufacturing and a report by the Authority on net benefits. Status: Signed by the Governor, Chapter 540, Statutes of 2013.

AB 2008 (Quirk) Transit Village Plans: Goods Movement*: This bill allows cities and counties to include, as one of the required public benefits of a transit village development plan, dedicated loading and unloading facilities for commercial space. Status: Signed by the Governor, Chapter 88, Statutes of 2014.

AB 2395 (Lowenthal) Oxnard Harbor District Debt Limit*: This bill raises, for the Oxnard Harbor District, the amount it can borrow and incur indebtedness from \$1 million to \$10 million. Status: Signed by the Governor, Chapter 293, Statutes of 2014.

AB 2713 (Quirk-Silva) California and South Korea Economic Relations: This bill would have authorized the Governor's Office of Business and Economic Development to establish public-private partnerships to help guide state activities related to the export of California products and the attraction of employment-producing foreign investment. The bill would have required the establishment of a subaccount to hold private donations for county and industry-specific marketing activities. The bill also would have required the establishment of a partnership to support California trade and investment within South Korea. Status: Held on the Suspense File in the Senate Committee on Appropriations, 2014.

ACR 100 (Alejo) Relations with El Salvador: This bill memorializes the Legislature's commitment to work cooperatively with the Governor's Office of Business and Economic Development on trade promotion and foreign investment activities that enhance the state's economic relations with El Salvador, as specified. Status: Adopted by the Legislature, Resolution 172, Statutes of 2014.

AJR 4 (Hueso and V. Manuel Pérez) United States-Mexico Border Infrastructure: This resolution states the Legislature's support for federal funding of necessary infrastructure improvements to the San Ysidro, Calexico, and Otay Mesa Ports of Entry. Status: Adopted by the Legislature, Resolution 24, Statutes of 2013.

AJR 12 (Gatto) Foreign Minimum Wage: This resolution states the Legislature's support for raising minimum wage in foreign countries when discussing international treaties and trade agreements. Status: Adopted by the Legislature, Resolution 152, Statutes of 2013.

AJR 37 (Muratsuchi) The Export-Import Bank of the United States: This measure memorializes the Legislature's desire for U.S. Congress to support legislation reauthorizing the Export-Import Bank of the United States. Status: Adopted by the Legislature, Resolution 72, Statutes of 2014.

AJR 53 (Rendon) National Freight Network Trust Fund Act of 2014: This measure urges congress to pass and the President of the United States to sign the National Freight Network Trust Fund Act of 2014, which would provide a dedicated federal funding source for freight-related transportation projects. Status: Adopted by the Legislature, Resolution 167, Statutes of 2014.

HR 44 (Medina) Related to the 100th Anniversary of the Panama Canal: This measure recognizes the 100th anniversary of the completion of the Panama Canal and the 495th anniversary of the founding of Panama City and celebrates the unique and beneficial relationship between the United States and Panama. Status: Adopted, 2014.

SB 511 (Lieu) California Export Finance Office: This bill would have re-established the California Export Finance Office within the California Infrastructure and Economic Development Bank and required the Governor's Office of Business and Economic Development to convene a statewide business partnership to discuss the promotion and greater utilization of California ports. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

SB 592 (Lieu) Trade Promotion of California Ports: This bill would have required GO-Biz to provide a port trade promotion strategy to the Legislature and convene a statewide business partnership for port trade promotion. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

SB 907 (Monning) International Commercial Disputes*: This bill would have provided that in any proceeding or procedure conducted pursuant to the statutes governing the arbitration or conciliation of international commercial disputes, the parties may appear in person or be represented or assisted by any person of their choice. Status: Died in Assembly Committee on Judiciary, 2014.

SB 925 (Wright) Alameda Corridor*: This bill would have required the Alameda Corridor Transportation Authority to adopt a tariff under which a use fee for movement of cargo on the Alameda Corridor rail system would be imposed. Status: Died in the Senate Committee on Rules, 2014.

SB 928 (Correa and Huff) International Trade and Investment Office: Mexico: This bill requires the Director of the Governor's Office of Business and Economic Development to establish and operate, or to create a public-private partnership for the purpose of establishing and operating, a trade office in Mexico City, Mexico, by January 1, 2016. Status: Vetoed by the Governor, 2014. The veto message reads: " I agree that trade with Mexico is of significant economic importance which is why I led a trade mission to Mexico City in August and hosted the President of Mexico in Sacramento shortly afterwards. We are working directly with the Mexican government and the business community on increasing bilateral trade and other initiatives. I am not convinced we need a legislatively-mandated trade office to continue our growing partnership with Mexico."

SB 1228 (Hueso) Trade Corridors Improvement Fund*: This bill continues the existence of the Trade Corridors Improvement Fund to receive funding from new funding sources, such as the Greenhouse Gas Reduction Fund, and governs the expenditure of those funds. Status: Signed by the Governor, Chapter 787, Statutes of 2014.

SCR 82 (Hueso) Jalisco, Mexico: Sister State Relationship: This bill memorializes the Legislature's desire to recommit to the formalizing of the a sister state relationship between California and the State of Jalisco, Mexico, for the purpose of promoting economic growth and well-being of small, medium, and large corporations and by increasing their potential trade and investment within the State of Jalisco. Status: Adopted by the Legislature, Resolution 70, Statutes of 2014.

SCR 103 (De León) California and El Salvador Partnership: This measure memorializes the Legislature's praise of the professional and democratic handling of the March 2014 presidential election in El Salvador and recognizes the deep cultural connections between California and El Salvador. Status: Adopted by the Legislature, Resolution 108, Statutes of 2014.

SCR 121 (Block) Trade: Israel: Memorandum of Understanding: This measure memorializes the Legislature's support for the 2014 memorandum of understanding signed by the Governor and the Prime Minister of Israel, Benjamin Netanyahu, for strategic partnerships between California and Israel. Status: Adopted by the Legislature, Resolution 113, Statutes of 2014.

SJR 16 (Emmerson) Transatlantic Trade and Investment Partnership: This resolution urges the President and United States Senate to negotiate and ratify, respectively, the Transatlantic Trade and Investment Partnership agreement with the European Union. Status: Died in the Assembly Committee on Jobs, Economic Development and the Economy, 2014.

SR 20 (Emmerson, Berryhill, DeSaulnier, Liu, Steinberg, Walters, and Wright) Transatlantic Trade and Investment Partnership*: This resolution urges the President and United States Senate to negotiate and ratify, respectively, the Transatlantic Trade and Investment Partnership agreement with the European Union. Status: Approved, by the Senate, Statutes 2013.

Section VIII – Infrastructure

World-class infrastructure plays a key role in business attraction and expansion, as companies consistently rank the quality of infrastructure among their top four criteria in making investment decisions. State, regional, and national competitiveness suffers as access to and the quality of infrastructure declines. The 2014-15 Global Competitiveness Report by the World Economic Forum places U.S. infrastructure 12th in the world, down from 7th in 2000.

Similarly, California's aging infrastructure is impacting the state's competitiveness. The 2013 U.S. Infrastructure Report Card by the American Society of Civil Engineers gave California infrastructure a C and identified a \$650 billion *investment gap* over the next 10 years. **Chart 7** provides greater detail on the individual grades on the state's overall score. In 2006, the same study identified California's annual infrastructure investment need to be \$37 billion per year. Six years later, the projected need nearly doubled to \$65 billion per year. Compounding the impact of California's investment gap are the substantial new infrastructure investments being made in other states and nations, including the upgrade of the seaports and distribution networks in Southeastern U.S. and the expansion of the Panama Canal.

Competitiveness and Infrastructure

One key driver of the state's infrastructure need is globalization and the way enhanced transportation and communication technologies have impacted businesses. While regional industry clusters remain relevant, increasingly their relationship to other clusters within the U.S. and across national borders is becoming crucial. The California Employment Development Department reported in its 2012 labor market analysis that California's rate of economic growth is highly dependent on the state's ability to attract and retain businesses within the eight trade-related industry sectors including diversified and high tech manufacturing, professional services, resource-based industries, information services, and wholesale trade and transportation.

A well-developed and integrated infrastructure network reduces the effect of distance between markets. Communication and transportation infrastructure link local, regional, national, and global markets by supporting the flow of products, services, workers, and consumers. Energy and water-related infrastructure determine developable land, as well as setting core business and household expenses. Collectively, the quality and breadth of the state's infrastructure networks determines economic sustainability, as well as growth. Given the appropriate strategic approach, infrastructure investments can also reduce income inequalities and poverty.

Chart 7 – California's Infrastructure Report Card

According to the 2013 U.S. Report Card on America's Infrastructure, California's overall infrastructure scored a "C", up from a "C-" in 2006. At a more granular level, California scored:

- B- in Ports
- C+ in Aviation
- C- in Transportation
- D in Levees/Flood Control
- B in Solid Waste
- D+ In Urban Runoff
- C+ in Wastewater
- C in Water

The report estimates that California faces a \$650 million infrastructure investment gap over the next ten years. For comparison, U.S. infrastructure received a D+ with an estimated \$3.6 trillion investment gap. The report doesn't include an evaluation of California's energy or communication infrastructure.

Source: American Society of Civil Engineers

2014 Infrastructure Accomplishments

The California Five-Year Infrastructure Plan (2014) opens with a clear statement by the Administration that investment in the state's physical infrastructure is a core function of government. The report further notes, however, that the Administration and Legislature's goal of maintaining long-term fiscal stability has meant that infrastructure expenditures have had to be prioritized, leaving some infrastructure areas with significant maintenance and capacity issues.

The state's improved fiscal condition did allow the Legislature and the Administration to make several key infrastructure investments in 2014: \$1.2 billion was approved in the 2014-15 Budget Act for infrastructure related purposes including deferred maintenance; \$7.12 billion for water-related infrastructure was included in the revised Proposition 1, which passed on the November 2014 ballot; \$250 million of cap-and-trade auction revenues were allocated for a variety of infrastructure projects; and SB 628 was enacted, which authorized the establishment of enhanced infrastructure financing districts. Moving forward, California will need to continue making investments in infrastructure or risk losing its competitive position.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to infrastructure in California. Legislation not heard by JEDE is marked with an *.

AB 14 (Lowenthal) State Freight Plans*: This bill requires the state's Transportation Agency to prepare a state freight plan and establish a freight advisory committee. Status: Signed by the Governor, Chapter 223, Statutes of 2013.

AB 26 (Bonilla) Prevailing Wage*: This bill revises the definition of "construction," for purposes of public works projects, to also include work performed during the post-construction phases of construction, including, but not limited to, all cleanup work at the job site. Status: Signed by the Governor, Chapter 864, Statutes of 2014.

AB 250 (Holden and V. Manuel Pérez) Codification of California Innovation Hubs: This bill codifies and expands the California Innovation Hub Program at GO-Biz for the purpose of stimulating economic development and job creation through the regional coordination of federal, state, and local innovation-supporting resources. Status: Signed by the Governor, Chapter 530, Statutes of 2013.

AB 311 (V. Manuel Pérez) I-Bank California-Mexico Border Assistance: This bill expands the role of the I-Bank to include facilitating infrastructure and economic development financing activities within the California and Mexico border region. Status: Died in the Assembly Committee on Appropriations, 2014.

AB 337 (Allen) Port of Entry Evaluation: This bill requires an evaluation of the ports of entry to the state and their capacity for handling international trade, including industrial and postconsumer secondary materials, originated in or destined for other states, as part of California's international trade and investment strategy. Status: Signed by the Governor, Chapter 776, Statutes of 2014.

AB 412 (Allen) California International Trade Study: This bill would have required GO-Biz to undertake a study of the potential roles for the state in global markets. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 416 (Gordon) Local Emission Reduction Program*: This bill would have created the Local Emission Reduction Program, which requires moneys to be available from the General Fund, upon appropriation by the Legislature, for the purposes of providing grants and financial assistance to cities, counties, metropolitan planning organizations, air quality control districts, and other local governments to develop and implement greenhouse gas reduction projects in the State. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2014.

AB 577 (Nazarian) Rail Construction: County of Los Angeles*: This bill repeals the prohibition on constructing an above-ground mass transit guideway in the Burbank Branch Line right-of-way. Status: Signed by the Governor, Chapter 92, Statutes of 2014.

AB 628 (Gorell and Hall) Energy Management Plans for Harbors and Port Districts: This bill authorizes a harbor or port district to prepare one or more energy management plans in order to reduce air emissions and promote economic development. Status: Signed by the Governor, Chapter 741, Statutes of 2013.

AB 701 (John A. Pérez) I-Bank Board Membership: As passed by JEDE, this bill would have authorized the I-Bank to serve as the primary state agency for applying to any federal infrastructure bank or financing authority. Further, the bill expanded the membership of the board of directors from five to seven members and specified that legislative members will be nonvoting members. Amendments taken in the Senate deleted the content of the bill and added language relating to property tax allocation in Orange County with Assemblymember Quirk-Silva as the author. Status: Signed by the Governor, Chapter 393, Statutes of 2013.

AB 737 (Fox) Unmanned Aircraft Systems Test Sites: As passed by JEDE, this bill would have required GO-Biz to prepare and submit a proposal for an unmanned aircraft test site to the Federal Aviation Administration on or before May 6, 2013. Amendments taken in the Senate deleted the content of the bill and added language relating to space flight liability. Status: Died in the Senate Committee on Judiciary, 2014.

AB 886 (Allen and Ian Calderon) Importer-Exporter Tax Credit: This bill would have authorized a five-year \$500 million tax credit program for importers and exporters that increase cargo through in-state airports and seaports, hire additional staff, or incur capital costs at a California cargo facility. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 930 (Hall) Enterprise Zones: Energy Management Plans: This bill would have authorized cities and counties to develop energy management plans with utility companies serving enterprise zones. Status: Died in the Assembly Committee on Natural Resources, 2014.

AB 1042 (Hall) Indian Gaming Special Distribution Fund*: This bill modifies the Department of Finance's calculation of the total revenue available from the Indian Gaming Special Distribution Fund to local government agencies impacted by tribal gaming, and appropriates \$13 million for the Special Distribution Fund for the 2013-14 fiscal year. Status: Signed by the Governor, Chapter 746, Statutes of 2013.

AB 1079 (Bradford) Energy Management Plans: This bill would have authorized cities and counties to prepare energy management plans in order to reduce emissions and promote economic development. Status: Held on the Suspense File of the Senate Committee on Appropriations, 2013.

AB 1081 (Medina) Goods Movement-Related Infrastructure: This bill would have required the state's five-year infrastructure plan to include goods movement-related infrastructure. Status: Held on the Suspense File of the Senate Committee on Appropriations, 2013.

AB 1272 (Medina) Infrastructure Financing Consortiums: This bill would have authorized the I-Bank to join regional, state, national, or international organizations related to infrastructure financing in order to facilitate infrastructure financing projects in California. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 1330 (John A. Pérez) Environmental Justice Funding*: This bill would have created new funding sources to be spent specifically on projects in environmental justice communities by requiring double the maximum fines assessed against hazardous waste, air district or solid waste permit holders for emission or discharge violations that exceed permitted emission or discharge levels in environmental justice communities and by requiring California Environmental Protection Agency, the Natural Resources Agency (Agency), and the agencies' boards, departments, commissions and offices, or the Strategic Growth Council to prioritize all grants and funding they provide in environmental justice communities. This bill would have also increased the administrative resources in environmental justice communities by, among other requirements, requiring Department of Toxic Substances Control to develop a hazardous waste reduction plan. Status: Died in Senate Committee on Rules, 2014.

AB 1471 (Rendon, Atkins, Gatto, Gomez, Perea, and Salas) Water Bond*: This bill repeals the \$11.14 billion bond for water-related projects and programs that was drafted in 2009 (2009 Water Bond) and replaces it with the "Water Quality, Supply, and Infrastructure Improvement Act of 2014" (2014 Water Bond), which provides \$7.545 billion in bond funding for water-related projects and programs including \$7.12 billion in new bond funding and a reversion of \$425 million in existing bond funding. Among other things, bond moneys are authorized for state water supply infrastructure projects, such as surface and groundwater storage; ecosystem and watershed protection and restoration; drinking water protection; water supply management; water recycling and advanced water treatment technology; groundwater cleanup; and flood control. Status: Signed by the Governor, Chapter 188, Statutes of 2014.

AB 1501 (Patterson) Federal Match for High-Speed Rail Funding*: This bill would have prohibited the High-Speed Rail Authority from spending federal funds for which a state match is required unless the state funding is immediately available. Status: Died in the Assembly Committee on Transportation, 2014.

AB 1684 (Grove) Cap-and-Trade Auction Revenues for High Speed Rail*: This bill would have prohibited appropriation of moneys from the Greenhouse Gas Reduction Fund for purposes of the high-speed rail system. Status: Died in the Assembly Committee on Natural Resources, 2014.

AB 2008 (Quirk) Transit Village Plans: Goods Movement*: This bill allows cities and counties to include, as one of the required, public benefits of a transit village development plan, dedicated loading and unloading facilities for commercial space. Status: Signed by the Governor, Chapter 88, Statutes of 2014.

AB 2021 (Gordon) San Mateo County Transit District*: This bill would have allowed the San Mateo Transit District to continue operating an existing, previously approved labor compliance program to monitor and enforce prevailing requirements on any construction manager/general contractor project under certain circumstances. Status: Died in the Senate Committee on Appropriations, 2014.

AB 2036 (Mansoor) Toll Facilities Vote Thresholds*: This bill would have required approval by a two-thirds vote of the people within Orange County to authorize a toll road in that county. Status: Died in the Assembly Committee on Transportation, 2014.

AB 2250 (Daly) Toll Facility Revenues*: This bill requires that any toll revenue generated by a managed lane on the state highway system which is administered by a local agency be expended only in the corridor containing that managed lane. Status: Signed by the Governor, Chapter 500, Statutes of 2014.

AB 2290 (John A. Pérez) California Infrastructure and Economic Development Bank*: This bill would have authorized the California Infrastructure and Economic Development Bank to serve as the primary state agency for applying to any federal infrastructure bank or financing authority. Further, this bill expands the membership of the board of directors from five to seven members and specifies that legislative members will be nonvoting members and may appoint a designee to serve in his or her place. Status: Died on the Senate Floor, 2014.

AB 2565 (Muratsuchi) Rental Property: Electric Vehicle Charging Stations*: This bill requires a landlord to approve a written request of a lessee to install an electric vehicle charging station at a parking space allotted for the lessee, if specified conditions are met, renders void any term in a residential or commercial lease renewed or extended on or after January 1, 2015, that conveys that either prohibits or unreasonably restricts the installation or use of an electric vehicle charging station in a parking space. Status: Signed by the Governor, Chapter 529, Statutes of 2014.

AB 2574 (Rodriguez) Metro Gold Line Foothill Extension Construction Authority*: This bill would have authorized the extension of the Gold Line light rail line from the City of Montclair in San Bernardino County to the City of Ontario in San Bernardino County. Status: Died in the Assembly Committee on Transportation, 2014.

AB 2636 (Gatto and Skinner) Water Efficiency Revolving Fund*: This bill creates the CalConserve Water Use Efficiency Revolving Fund in the State Treasury, which is administered by the Department of Water Resources in order to provide low-interest loans and grants to local agencies for urban and agricultural water use efficiency projects. Status: Signed by the Governor, Chapter 825, Statutes of 2014.

AB 2650 (Conway) High-Speed Rail Bonds*: This bill would have directed that a referendum be placed on the ballot related to high-speed rail bonds. Status: Died in the Assembly Committee on Transportation, 2014.

AB 2729 (Medina) Infrastructure Development Corporations: This bill would have established the California Infrastructure Finance Center within the California Infrastructure and Economic Development for the purpose of designating one or more private entities as a California Infrastructure Development Corporation (CIDC). A CIDC would have been entitled to participation rights related to the joint development of infrastructure projects within the state. Status: Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.

AB 2752 (Assembly Committee on Transportation) Transportation Omnibus*: This bill makes technical and non-controversial changes to sections of law relating to transportation. Status: Signed by the Governor, Chapter 345, Statutes of 2014.

AJR 4 (Hueso and V. Manuel Pérez) United States-Mexico Border Infrastructure: This resolution states the Legislature's support for federal funding of necessary infrastructure improvements to the San Ysidro, Calexico, and Otay Mesa Ports of Entry. Status: Adopted, Chapter 24, Statutes of 2013.

SB 4 (Pavley and Gray) Oil and Gas: Well Stimulation*: This bill establishes a comprehensive regulatory program for oil and gas well stimulation treatments (e.g., hydraulic fracturing, acid well stimulation), which includes, among other things, a study, the development of regulations, a permitting process, and public notification and disclosure. Statutes: Signed by the Governor, Chapter 313, Statutes of 2013.

SB 418 (Jackson and Block) Nuclear Fission Powerplants*: This bill requires a detailed study of project needs and costs to be provided to the California Public Utilities Commission when requesting ratepayer funding for a nuclear power plant seeking relicensing from the U.S. Nuclear Regulatory Commission. Status: Died in the Assembly Committee on Utilities and Commerce, 2014.

SB 592 (Lieu) Trade Promotion of California Ports: This bill would have required GO-Biz to provide a port trade promotion strategy to the Legislature and convene a statewide business partnership for port trade promotion. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

SB 616 (Roth) Airport Improvement Program: State Matching Funds*: This bill would have required Caltrans, when awarding grants, to provide state matching grants through the Airport Improvement Program to projects that commence prior to receiving those funds. Status: Died at the Senate Desk, 2014.

SB 628 (Beall) Enhanced Infrastructure Financing Districts*: This bill allows agencies to create enhanced infrastructure financing districts to finance specified infrastructure projects and facilities. Status: Signed by the Governor, Chapter 785, Statutes of 2014.

SB 798 (De León) Green Infrastructure Bank*: This bill establishes the California Green Infrastructure Bank as a public corporation. The bill puts the bank under the direction of an executive director to be appointed by the Governor and subject to Senate confirmation. The bill authorizes the bank to issue loans and bonds that facilitate green economic development, and adds the bank to the list of investments eligible for funds from the Greenhouse Gas Reduction Fund. Status: Signed by the Governor, Chapter 367, Statutes of 2014.

SB 861 (Budget and Fiscal Review Committee) Reorganization of Water Infrastructure Finance*: This bill reorganizes the two water programs by consolidating the administration of the drinking water and surface and groundwater quality programs into a single agency to achieve broader program efficiencies. The effect of the reorganization was to transfer the Drinking Water Program, including the Safe Drinking Water State Revolving Loan Fund program from the Department of Public Health to the State Water Resources Control Board, which already regulates water rights and source water quality and administers the Clean Water State Revolving Loan Fund program. Status: Signed by the Governor, Chapter 35, Statutes of 2014.

SB 901 (Vidak) High-Speed Rail: Funding*: This bill would have required the Secretary of State to put on the November 2014 general election ballot a legislative referendum which, if approved by the voters, would prohibit the sale of any additional high-speed rail bonds. Status: Died in the Senate Committee on Transportation and Housing, 2014.

SB 902 (Vidak) High-Speed Rail: Eminent Domain*: This bill would have restricted the High-Speed Rail Authority, or the State Public Works Board on behalf of the High-Speed Rail Authority, from adopting a resolution of necessity to commence an eminent domain proceeding unless the resolution meets certain requirements. Status: Died in the Senate Committee on Transportation and Housing, 2014.

SB 903 (Vidak) High-Speed Rail: Private Property: Owner Consent*: This bill would have required the High-Speed Rail Authority annually to pay to a county the amount equivalent to any lost property tax revenue with respect to all real property acquired for the high-speed rail project. Status: Died in the Senate Committee on Transportation and Housing, 2014.

SB 904 (Vidak) High-Speed Rail: Private Property: Owner Consent*: This bill would have required any employee or contractor of the High-Speed Authority, prior to entering onto any privately owned property, to identify himself and obtain the property owner's consent to enter. Status: Died in the Senate Committee on Transportation and Housing, 2014.

SB 1121 (De León) Climate Technology and Infrastructure Financing Act*: This bill would have established the California Climate Solutions Accelerator Account, within the California Infrastructure and Economic Development Bank Fund, for the purpose of financing eligible greenhouse gas (GHG) emissions reduction projects. Status: Died on the Assembly Inactive File, 2014.

SB 1228 (Hueso) Trade Corridors Improvement Fund*: This bill continues the existence of the Trade Corridors Improvement Fund to receive funding from new funding sources, such as the Greenhouse Gas Reduction Fund, and governs the expenditure of those funds. Status: Signed by the Governor, Chapter 787, Statutes of 2014.

SJR 15 (Hancock) Postal Service Protection Act of 2013: This resolution urges the United States Congress to pass legislation to promote the modernization and preservation of the United States Postal Service, as stated in the introduced version of the Postal Service Protection Act of 2013. Status: Adopted, Chapter 122, Statutes of 2013.

Section IX – Regulatory Reform

Small businesses form the core of California's \$2.2 trillion economy. Research shows that net new job creation is strongest among businesses with less than 20 employees, that small businesses have historically led the state's local and regional economies out of recessions, and that these businesses are essential to the state's global competitiveness by meeting niche industry needs. Reflective of their important role, the JEDE Committee Members have repeatedly voted to support legislation designed to help the state achieve a regulatory environment that encourages small businesses development, while still maintaining public health and safety standards.

Cost of Regulations on Business

There are two major sources of data on the cost of regulatory compliance on businesses, the federal SBA and the Office of the Small Business Advocate (OSBA). For the last 10 years, the federal SBA has conducted a peer reviewed study that analyzes the cost of federal government regulations on different size businesses. This research shows that small businesses continue to bear a disproportionate share of the federal regulatory burden. On a per employee basis, it costs about \$2,400, or 45%, more for small firms to comply with federal regulations than their larger counterparts.

The first study on the impact of California regulations on small businesses was released by the OSBA in 2009. This first in-the-nation study found that the total cost of regulations to small businesses averaged about \$134,000 per business in 2007. Of course, no one would advocate that there should be no regulations in the state. The report, however, importantly identifies that the cost of regulations can provide a significant cost to the everyday operations of California businesses.

Regulatory costs are driven by a number of factors including multiple definitions of small business in state and federal law, the lack of e-commerce solutions to address outdated paperwork requirements, procurement requirements that favor larger size bidders, and lack of technical assistance to alleviate these obstacles that inhibit small business success.

State and Federal Advocacy for Regulatory Flexibility

In 1976, the federal government established the Office of Advocacy (FAO) within the federal Small Business Administration. The purpose of the FAO is to "protect, strengthen and effectively represent the nation's small businesses within the federal government's legislative and rule-making processes."

Among its duties, the FAO reviews federal regulations and makes recommendations on how to reduce the burden on small firms and maximize small business participation with the federal government. In 2013, the FAO issued 19 letters to federal agencies requesting alternative implementation methods and encouraging better technical review of proposed regulations. In addition, the FAO develops a fact sheet summarizing key points in each FAO letter, which can be used in future regulatory flexibility discussions by the rule making entity.

Another activity of the FAO is the convening of issue-specific Small Business Advocacy Review Panels. Utilizing the FAO as a facilitator has proven to be particularly useful in developing more detailed comments and making specific and technical recommendations to assist the rulemaking

entity in modifying a rule to lessen its impact on small businesses, without necessarily reducing its policy objective.

While California has an Office of the Small Business Advocate, the state advocate does not currently have the staff, nor the directed statutory mission, to formally comment on pending state regulations. On a case by case basis, the Governor's Office of Business and Economic Development is able to engage with other state agencies on state regulatory proposals through its Office of Permit Assistance, but again, state statutory direction is permissive and not mandatory.

Adoption of New Rules

Another important component of the federal small business framework is the Regulatory Flexibility Act of 1980, which is designed to provide a process for assessing and mitigating the potential impact of federal regulations on small businesses. The process includes the publication of a regulatory agenda, an initial and final regulatory flexibility analysis, and a mandatory periodic review of the rules. In 1996, a judicial review of regulations was added to the federal Small Business Regulatory Enforcement Fairness Act.

Adopted over a series of years, California law currently has several but not all of the key elements of the federal regulatory flexibility model. As an example, existing state law sets forth an extensive process for the development and adoption of regulations, including requiring the identification of potential adverse impacts on small businesses and individuals. California law further states that the purpose of the rulemaking process is to avoid the imposition of unreasonable and unnecessary regulations or compliance requirements. Businesses, however, have repeatedly testified before legislative committees that they believe that California's regulatory process is expensive, overly burdensome, and that agencies do not consistently apply state rulemaking laws. Perhaps most importantly, businesses have stated that the same policy objectives could be achieved in a less laborious manner.

Given these challenges, regulatory reform continues to be a major topic of Legislation. In the 2011-2012 Session, Assembly and Senate leadership proposed SB 617 (Calderon), Chapter 496, Statutes of 2011, which required an enhanced economic impact analysis for regulations anticipated to have an impact of \$50 million or more. The SB 617 process follows the federal regulatory model, however, the process is silent as to the assessment of costs based on size of business. The Legislature heard several bills to refine the SB 617 process including AB 2723 (Medina), which would have required rulemaking entities to consider the specific impact of major regulations on small business formation and closure. Ultimately, AB 2723 was vetoed (veto message below). The Governor did sign AB 1711 (Cooley) which moved up the economic impact assessment to the initial statement of reasons, Chapter 779, Statutes of 2014.

Legislation from 2013-2014

The Legislature considered a number of bills related to regulatory reforms during this past legislative session. Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to regulatory reform. Legislation not heard by JEDE is marked with an *.

AB 27 (Medina) Vehicle Registration: Trailers: One-Trip Permits*: This bill extends from five days to 10 days, the time for which the Department of Motor Vehicles may issue a one-trip permit for trailers, semitrailers, or auxiliary dollies not registered in the state. Status: Signed by the Governor, Chapter 301, Statutes 2014.

AB 393 (Cooley) GO-Biz Website*: This bill requires the Director of GO-Biz to ensure that the GO-Biz website contains information on the fee requirements and fee schedules of state agencies. Status: Signed by the Governor, Chapter 124, Statutes of 2013.

AB 550 (Brown) State Procurement Procedures for Small Businesses: This bill would have made key changes to state procurement procedures for the purpose of increasing small business, including microbusiness, and disabled veteran-owned business enterprise participation rates. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

AB 1046 (Gordon) Department of Transportation: Innovative Delivery Team Demonstration Program*: This bill would have permitted Caltrans staff to perform reimbursable work for projects on and off the state highway system within the boundaries of Santa Clara County, pursuant to a master agreement. Status: Died in the Senate Committee on Appropriations, 2014.

AB 1098 (Quirk-Silva) Small Business Regulation Report: As passed by JEDE, this bill would have directed the Office of Small Business Advocate within GO-Biz to commission a study of the costs of state regulations on small businesses every five years. Amendments taken in the Senate deleted the content of the bill and added language relating to legal documents provided over the internet with Assemblymember Gray as the author. Status: Died in the Senate Committee on Rules, 2014.

AB 1247 (Medina and Bocanegra) Small Business Finance Center: This bill establishes the California Small Business Center at the I-Bank, within GO-Biz, and transfers the authority to administer the small business loan guarantee program and other related programs to the I-Bank. Provisions in the bill will expedite the I-Bank's ability to implement new programs to meet small business capital needs. Status: Signed by the Governor, Chapter 537, Statutes of 2013.

AB 1260 (Medina) Definition of a California Family Owned Business*: This bill provides a statutory definition for California family owned business. Status: Vetoed by the Governor, 2014. The veto message reads: "Family-owned businesses have an important role in our state and local economies and I am supportive of efforts that recognize their vital contributions. I am concerned, however, that adding a definition of "California Family Owned Business" in statute with no legal or programmatic purpose will not achieve the bill's intended purpose."

AB 1400 (Assembly Committee on Jobs, Economic Development, and the Economy) Export Document Certificates: This bill modifies the state's Export Document Program to accept requests electronically, expedite approval of existing labels, and extend the term of the export labels from 180 days to 365 days, in order to alleviate backlog of exports of food, drug, and medical devices. Status: Signed by the Governor, Chapter 539, Statutes of 2013.

AB 1422 (Assembly Committee on Jobs, Economic Development and the Economy) California Alternative Energy and Advanced Transportation Financing Authority: This bill clarifies the definition of "participating party", used by the California Alternative Energy and Advanced Transportation Financing Authority (Authority) for their Sales and Use Tax Exclusion Program, to

include out-of-state entities that demonstrably commit to opening a manufacturing facility within California. The bill also repeals a requirement that GO-Biz issue a report about advanced manufacturing and a report by the Authority on net benefits. Status: Signed by the Governor, Chapter 540, Statutes of 2013.

AB 1612 (Donnelly) Prohibit Fees for ADA Access*: This bill would have prohibited the Office of Administrative Law from charging any fee to individuals with disabilities to enable access to the California Code of Regulations, and from charging for any accessibility option advertised to end users of its Internet Web site under the “accessibility” link, as specified. Status: Vetoed by the Governor, 2014. The veto message reads: "As required by current law, the full text of the California Code of Regulations is provided online and free of charge at <http://ccr.oal.ca.gov>. This bill is unnecessary. Any problems with accessibility can be quickly corrected by the Office of Administrative Law, as demonstrated earlier this year."

AB 1675 (Ian Calderon) Entrepreneur-in-Residence Act of 2014*: This bill would have established the entrepreneur-in-residence program (EIR Program) within the Governor's Office of Business and Economic Development (GO-Biz) for the purpose of improving outreach and strengthening coordination with the entrepreneur and small business community. GO-Biz would have also been required to establish an informal working group of EIR participants to discuss best practices, obstacles, and recommendations. A report on the activities and outcomes from the EIR Program would have been required to be prepared annually. Status: Died on the Suspense File in the Senate Committee on Appropriations, 2014.

AB 1711 (Cooley) Economic Impact Assessment*: This bill requires an economic impact assessment to be included in the Initial Statement of Reasons that a state agency submits to the Office of Administrative Law when adopting, amending, or repealing a non-major regulation. Status: Signed by the Governor, Chapter 779, Statutes of 2014.

AB 1908 (Bigelow) Farm Vehicles*: This bill would have added onion-hauling trucks to the list of vehicles that are exempt from the Department of Motor Vehicles registration and commercial motor vehicle requirements. Status: Died in the Assembly Committee on Transportation, 2014.

AB 1988 (Chávez) North County Transit District: Flexible Procurement Process*: This bill would have increased compensation for North County Transit District directors to \$150 per day, not to exceed \$600 in any month, and would have revised and recast the district's authority to enter into contracts by requiring the board of directors to establish and use a specified flexible procurement process to maximize the efficient use of public funds. Status: Died in the Assembly Committee on Local Government, 2014.

AB 2624 (Medina) "Made in North America" Labeling*: This bill would have established an optional label of "Made in North America" for products. Amendments proposed and adopted in the Senate Judiciary Committee rendered the measure unworkable, from the author's standpoint and the bill was moved to the Senate Inactive File. Status: Died on the Senate Inactive File, 2014.

AB 2704 (Allen) Lowest Cost Implementation*: This bill would have required the Air Resources Board to assess periodically the progress achieved in the development and affordability of new technology that would allow a person to comply with specified regulations that anticipate the

development of new technologies or the improvement of existing technologies. Status: Died in the Assembly Committee on Natural Resources, 2014.

AB 2723 (Medina) Small Businesses and Major Regulations: This bill would have added statutory protections to ensure that the costs of major regulations on the state's smallest size businesses are considered when state agencies undertake their economic impact assessment for major regulations. Status: Vetoed by the Governor, 2014. The veto message reads: " This bill would require the economic analysis for major regulations to include a separate assessment of the impact on sole proprietorships and small businesses. I signed legislation in 2011 to require a comprehensive economic analysis of proposed major regulations. The analysis must assess whether, and to what extent, the proposed regulations will affect all California jobs and businesses. Agencies must also identify alternatives that would lessen any adverse impact on small businesses. I am not convinced that an additional layer of specificity based solely on the legal structure of a business would add value to the comprehensive economic analysis already required."

SB 12 (Corbett) "Made in California" Labeling*: This bill establishes the "Made in California Program" within the Governor's Office of Business and Economic Development for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California. In order to qualify, the product must meet the state standard for being "Made in the U.S." and have at least 61% of the components and assembly be from California. Status: Signed by the Governor, Chapter 541, Statutes of 2013.

SB 176 (Galgiani) Outreach on Administrative Procedures*: This bill would have amended the Administrative Procedure Act by requiring state agencies to make a reasonable effort to outreach and provide notice to affected entities when developing regulations. Statutes: Held on the Suspense File of the Assembly Committee on Appropriations, 2013.

SB 209 (Lieu) Qualified Small Business Stock Income Tax*: This bill partially reinstates tax exclusion and deferral allowances on income from the sale of qualified small business stock and waves all penalties and interest for taxes assessed as a result of the related statutes being found unconstitutional as a result of *Cutler v. Franchise Tax Board*. Statutes: Signed by the Governor, Chapter 543, Statutes of 2013.

SB 661 (Hill) "Made in America" Labeling*: This bill would have provided that merchandise made, manufactured or produced in the U.S. that has an article, unit, or part from outside of the U.S. may be sold in California as "Made in U.S.A." or "Made in America" if the merchandise meets all of the following requirements:

- the manufacturer of the merchandise certifies that it can neither produce the foreign article, unit, or part within the United States nor obtain the foreign article, unit, or part from a domestic source;
- the article, unit, or part of the merchandise obtained from outside the United States constitutes only a negligible part of the final manufactured product; and
- the determination that the article, unit, or part of the merchandise cannot be produced or obtained within the United States from a domestic source is not based on the cost of the article, unit, or part.

Status: Died in Senate Committee on Judiciary, 2014.

SB 674 (Corbett) California Environmental Quality Act: Residential Infill Exemption*: This bill revises the California Environmental Quality Act's residential infill exemption by increasing the

amount of allowable neighborhood-serving goods, services, or retail uses from 15% of the total project floor area to 35% of the total building square footage. Status: Signed by the Governor, Chapter 549, Statutes of 2014.

SB 752 (Roth) Commercial and Industrial Common Interest Developments*: This bill separates the laws governing commercial and industrial Common Interest Developments from the laws governing residential Common Interest Developments and generally makes the operational provisions of current law inapplicable to commercial and industrial Common Interest Developments. Status: Signed by the Governor, Chapter 605, Statutes of 2013.

SB 785 (Wolk) Design-Build*: This bill repeals existing law authorizing the Department of General Services, the Department of Corrections, and Rehabilitation, and specified local agencies, including transit operators, to use the design-build procurement process; and enacts more uniform provisions authorizing them to utilize the design-build procurement process for specified public works projects. Status: Signed by the Governor, Chapter 931, Statutes of 2014.

SB 793 (Lara) Air Pollution: Oceangoing Vessels*: This bill would have exempted vessels, under limited circumstances, from the Air Resources Board's regulations governing vessels at ports. Status: Held in the Senate Committee on Appropriations, 2014.

SB 969 (DeSaulnier) Public Works*: This bill would have required an agency administering a transportation megaproject to develop a comprehensive risk management plan and to establish a peer review group to review plans and finances of the megaproject. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill mandates that state and local transportation projects costing over \$2.5 billion use peer review groups and prepare risk management plans. This bill fails to break any new ground for improving the outcome of large projects. The provisions of the bill are already industry standard and required by federal laws for projects on the interstate system and where federal loans or funds over certain amounts are used."

SB 981 (Huff) Review of Prior Regulations*: This bill would have required each state agency to review each regulation adopted prior to January 1, 2014, and to develop a report to the Legislature containing prescribed information. Among other information, the report would have included the regulations purpose, identification of impacted sectors, direct costs by sector, and an assessment as to whether the regulation needs updating. Status: Died in Senate Committee on Governmental Organization, 2014.

Section X – Workforce Development

As California continues to transition from the recession, businesses and workers face an economy that is comprised of more highly integrated industry sectors that are also more geographically dispersed. Advances in technology and processes are occurring more rapidly. Competitiveness is increasingly defined in terms of speed, flexibility, specialization, and innovation. These changes are placing new challenges on California's training and workforce system.

Economists have identified eight key trends (**side bar**) that will most influence the U.S. and California economies. Several of these trends will have significant impacts on workforce development, in particular. The rise of smaller businesses is one of these trends. Due to their ability to provide innovative technologies and help other businesses access global markets, small businesses, and the entrepreneurs that lead them are vital economic players. These small and adaptable businesses will have an inherent advantage in the post-recession economy, provided they are able to learn the skill sets necessary to run a successful business and have access to appropriately trained workers.

Another key economic trend is the rising importance of regional economies as one of the primary drivers of economic growth. The economic foundation of many strong regional economies are innovation-based industry clusters which have the ability to support high-paying jobs, lucrative career ladders, and longer term job stability. Economic researchers have shown that industry clusters rise in areas where local universities, research labs, and competing businesses within the same industry provide a critical mass of skilled workers in the same industry.

Though the economic composition of regions may differ in California, each region has strengths and weaknesses. The effective identification and cultivation of these industry strengths factors heavily in the future economic success of the region.

Advances in information technology and pressures to have more environmentally sensitive products that address consumer preferences will also influence the basic education and training needs of California workers. Even entry-level workers will be expected to have important soft skills, such as the ability to work in teams, actively listen, communicate effectively with co-workers and bosses, and be able to negotiate workplace needs in a positive manner. Unlike hard skills, which are about a person's ability to perform a certain task or activity, soft skills provide the tools necessary to learn and advance in the state's continually evolving workplace environment.

Many of these new market realities are already coming into fruition and, for now, California's workforce is underprepared to meet these demands. There are still numerous unemployed and underemployed workers in California, while, at the same time, there are industries that are unable to find qualified workers to fill empty positions. Strong early education programs, career technology

Key Economic Trends Affecting the California Economy	
1	Cities and regions will become more dominant economic players.
2	Global networks will be supported through more advanced information and transportation technologies.
3	Barriers to trade will continue to decline among both developed and emerging economies.
4	The world's largest companies will increasingly be headquartered in emerging foreign markets.
5	Global and more diversified markets will provide new opportunities for entrepreneurs and smaller size businesses.
6	Scarcity and rising prices will increase pressure on the development and deployment of cleaner technologies.
7	The retirement of Boomers will place an even greater need for middle- and high-skilled workers.
8	The U.S workforce will be smaller, more ethnically diversified, and have educational backgrounds that are lower than many other developed economies.

pathways, accessible higher education, and effective and timely workforce development programs are key to equipping California workers with the skillsets that are in demand.

Current Employment Trends in California

Employment trends in California over the past year point to an improving economy that is growing at a rate exceeding the national average. **Chart 8** illustrates that employment in California was up from the prior year and that the state experienced a drop in unemployment that exceeds 14%.

Chart 8 - California and U.S. Labor Force Trends						
	California Labor Force Trends (seasonally adjusted)			U.S. Labor Force Trends (seasonally adjusted)		
	October 2013	October 2014	% Change	October 2013	October 2014	% Change
Population	29,725,000	30,034,000	1.0%	246,381,000	248,657,000	0.9%
Labor Force	18,568,000	18,757,000	1.0%	155,625,000	156,278,000	0.3%
Employment	16,970,000	17,396,000	2.5%	143,485,000	147,283,000	2.6%
Unemployed	1,598,000	1,361,000	-14.8%	11,140,000	8,995,000	-19.2%

Source: California Labor Market Review, October 2014

The Employment Development Department reports that civilian employment was up 426,000 (2.5%) jobs from the prior year. All 11 nonfarm industry sectors in California gained jobs between October 2013 and October 2014: construction (5.3%); professional and business services (4.5%); mining and logging (4.3%); information (3.9%); educational and health services (2.9%); leisure and hospitality (2.4%); trade, transportation and utilities (1.6%); financial services (0.6%); manufacturing (0.3%); government (0.2%); and, other services (0.1%).

EDD currently projects that the number of employed persons in California will reach 18,511,200 by 2020, an increase of about 11.2% from 2013. Roughly 70% of all projected nonfarm job growth is expected to be concentrated in four industry sectors: professional and business services; educational services, healthcare, and social assistance; leisure and hospitality; and retail trade. Many of these high growth industry subsectors require specialized training, such as employment related to nursing and residential care facilities, technical consulting services, and computer system designs.

Legislation from 2013-2014

Below is a summary of the legislation heard by, or of interest to, JEDE during the 2013-2014 Legislative Session relating to workforce development. Legislation not heard by JEDE is marked with an *.

AB 86 (Blumenfeld) Career Pathways Funding*: This bill, among other things, appropriates \$250 million for competitive grants to schools, community colleges, and their business partners for career pathways programs. Status: Signed by the Governor, Chapter 48, Statutes of 2013.

AB 181 (Logue) Baccalaureate Pilot Project*: This bill would have expressed the intent of the Legislature to establish a pilot project to offer and evaluate a coordinated curriculum that enables students to earn a baccalaureate degree from a participating University of California within three years of graduating high school for a cost not to exceed \$20,000. Status: Died in Assembly Committee on Higher Education, 2014.

AB 250 (Holden and V. Manuel Pérez) Codification of California Innovation Hubs: This bill codifies and expands the California Innovation Hub Program at GO-Biz for the purpose of stimulating economic development and job creation through the regional coordination of federal, state, and local innovation-supporting resources. Status: Signed by the Governor, Chapter 530, Statutes of 2013.

AB 285 (Brown) Scope of Practice for the California Workforce Investment Board: This bill would have required the California Workforce Investment Board to make recommendations and provide technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment boards. The bill would have also deleted certain required duties of the California Workforce Investment Board and made changes to the definition of microenterprise. Status: Vetoed by the Governor, 2013. "This bill, like SB 118, deals with the California Workforce Investment Board and various aspects of job training. Unlike SB 118, it is overly prescriptive in the way it directs the Board to provide technical assistance for entrepreneurial training and to make recommendations. I believe this unduly infringes on the Board's authority and discretion."

AB 548 (Salas) Extension of Associate Nursing Degree Program*: This bill extends until January 1, 2020 the California Community College (CCC) district's associate degree nursing programs admissions process and requires the Chancellor of the CCC to submit a report on or before March 1, 2015, and annually thereafter to the Legislature and the Governor, as specified. Status: Signed by the Governor, Chapter 203, Statutes of 2014.

AB 646 (Cooley) P-16 Councils*: This bill would have required the State Department of Education to study best practices of state and regional P-20 councils in California and across the nation. P-16 councils were first established in the 1990s to convene state leaders representing early learning/pre-kindergarten ("P") through the first four years of college ("16"). More recently, states have extended the intended scope of such councils' work to P-20, to reach doctoral and professional schools. The goal of these councils is to develop a seamless system of education with aligned expectations from the earliest years of a child's development, through the K-12 system, and into and through postsecondary education. Status: Held on the Suspense File in Assembly Committee on Appropriations, 2014.

AB 653 (V. Manuel Pérez) California Innovation and Jobs Act: This bill establishes the California Innovation and Jobs Act, which increases the maximum value of the research and development credit and codifies the California Innovation Hub Program. Status: Held on the Suspense File in Assembly Committee on Appropriations, 2014.

AB 914 (Bradford) New Commission*: This bill would have established the Interagency Task Force on the Status of Boys and Men of Color for the purpose of supporting state agency actions that are in alignment with the recommendations of the Assembly Select Committee on Boys and Men of Color in California and the May 2014 My Brother's Keeper Task Force Report to the U.S. President. Status: Died in Senate Committee on Rules, 2014.

AB 977 (Salas) Career Technical Education at Community Colleges*: This bill would have required the California Community Colleges Chancellor to convene a group of experts in career technical education, business, or industry to research ways to address issues related to implementing differential funding for credit-bearing high-cost, high-demand courses and programs at the

community colleges, and to report its recommendations to the Legislature by January 1, 2016.
Status: Died in Assembly Committee on Higher Education, 2014.

AB 1067 (Medina) EB-5 Immigration Oversight: This bill establishes the California Foreign Investment Program within GO-Biz to oversee the state's participation in the federal EB-5 foreign investment visa program. Among other things, this office will set the terms and conditions regarding the designation of targeted employment areas, as related to the EB-5 visas. Status: Signed by the Governor, Chapter 535, Statutes of 2013.

AB 1315 (John A. Pérez) California Green Collar Jobs Act*: This bill adds the Speaker of the Assembly and the President Pro Tempore of the Senate as members of the California Workforce Investment Board and the Green Collar Jobs Council. This bill also authorizes the Green Collar Jobs Council to include representatives from other states agencies and other interested parties as appropriate, and requires the development of a common framework to address workforce needs arising from changes in industries impacted by state policies to reduce greenhouse gas emissions. Status: Died at the Senate Desk, 2014.

AB 1451 (Holden) Concurrent Enrollment*: This bill would have authorized the governing board of a school district, until July 1, 2020 to enter into a formal concurrent enrollment partnership agreement with a community college district located within its immediate service area, with the goals of developing a seamless pathway from high school to community college, as specified. Status: Held on the Suspense File in Senate Committee on Appropriations, 2014.

AB 1456 (Holden) Pay It Forward Tuition*: This bill would have required the California Student Aid Commission and the Legislative Analyst's Office to conduct a study of the effects of enacting legislation to establish a "Pay it Forward, Pay it Back Pilot Program" to examine how a binding contract, which is paid through the payment of a certain percentage of the students future income following graduation. Status: Died in Senate Committee on Rules, 2014.

AB 1569 (Rodriguez) Tax Credits Apprenticeship*: This bill would have authorized a tax credit under both the personal income tax and corporation tax laws, for tax years beginning on or after January 1, 2016 and before January 1, 2020, equal to \$2,000 for each registered apprentice trained by the taxpayer in the taxable year. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014.

AB 1837 (Atkins) Social Innovation Financing to Address Recidivism: This bill Establishes the Social Innovation Financing Program, administered by the Board of State and Community Corrections, which provided grants to three counties for the purpose of utilizing pay-for-success contracts to reduce recidivism. Status: Signed by the Governor, Chapter 802, Statutes of 2014.

AB 1910 (Gray) Workforce and Economic Development in the San Joaquin Valley: This bill establishes the San Joaquin Valley Regional Economic Planning and Preparedness Council (SJVREPPC) to develop an oil and natural gas workforce strategic initiative to meet the workforce needs of the San Joaquin Valley's expanding energy economy. The SJVREPPC is comprised of current California Workforce Investment Board members. Other state agencies, higher education institutions, and industry representatives, as well as philanthropic and nongovernmental groups may serve as consultants to the SJVREPPC. The SJVREPPC is required to report annually on the status and outcome of its activities. Status: Vetoed by the Governor, 2014. The veto message reads:

"This bill would require the California Workforce Investment Board to establish the San Joaquin Valley Regional Economic Planning and Preparedness Council to develop an oil and natural gas workforce strategic initiative and report its activities to the legislature by April 1 each year. The state has a number of programs in place for improving San Joaquin Valley's workforce skills: the "SlingShot Program" and the California Partnership for the San Joaquin Valley. The SlingShot Program was created in 2014 to accelerate income mobility by encouraging business, workforce development and education leaders to formulate strategies to address employment challenges at the regional level. The California Partnership for the San Joaquin Valley was founded in 2005 as a public-private partnership focused on improving the region's economic vitality and quality of life for its residents. I continue to believe that initiatives such as the one proposed in this bill should be driven at the regional level through consensus among industry, labor, regional economic development organizations, local workforce investment boards, and local governments."

AB 1950 (Campos) Career Education Incentive Program*: This bill would have established the Career Education Incentive Program which would provide one-to-one matching grant funds to school districts, charter schools, county offices of education, and community college districts for the purpose of regional career technical education programs. Status: Held on the Suspense File in Assembly Committee on Appropriations, 2014.

AB 2060 (V. Manuel Pérez) Supervised Population Workforce Training Grant Program*: This bill establishes the Supervised Population Workforce Training Grant Program. The Program is comprised of two distinct funding streams: one stream for post-secondary training that may lead to certifications and placement on a middle-skill career ladder and a second stream for individuals that are starting with low educational attainment and need help with basic academic skills. Status: Signed by the Governor, Chapter 383, Statutes of 2014.

ACR 118 (Logue) California Tradesmen Day*: This resolution names a portion of State Highway Route (SR) 99 in Sutter County as the California Small Business Owners Highway. Status: Approved by the Legislature, Resolution 174, 2014.

ACR 119 (Muratsuchi) Career Technical Education Funding*: This resolution encourages the Chancellor of the California Community College (CCC) in consultation with affected stakeholders, including, but not limited to, experts in the field of career technical education (CTE), business and industry representatives, faculty, and organized labor representatives to develop at least three options to address the long-term funding needs of CTE and other workforce and training programs at the CCC campuses, in a manner that adequately funds the programs that regions deem valuable to their economies, and to submit those options to the Legislature before April 1, 2015. Status: Approved by the Legislature, Resolution 156, 2014.

AJR 13 (Campos, Hueso, and Steinberg) Reopening of Job Corps Centers*: This resolution states the Legislature's support for congressional action to end the nationwide freeze on Job Corps student enrollment. This freeze was implemented to alleviate budgetary pressures due to prior budget mismanagement. Status: Adopted, Resolution 49, Statutes of 2013.

HR 55 (Ridley-Thomas) 50th Anniversary of Federal Economic Opportunity Act*: This resolution recognizes August 20, 2014, as the 50th anniversary of the signing of the federal Economic Opportunity Act of 1964, and honors those who are working to raise awareness of the numerous adults and children in California who are currently living in poverty, working to develop solutions,

and identifying the needs of low-income communities for the purpose of ensuring a brighter future for all Californians. Status: Adopted, 2014.

SB 73 (De León) Clean Tech Training*: This bill, among other things, appropriates over \$400 million in Prop 39 moneys for energy retrofits, as well as \$8 million for related workforce development programs . Status: Signed by the Governor, Chapter 29, Statutes of 2013.

SB 105 (Steinberg) Recidivism Reduction Fund*: This bill, among other things, creates the Recidivism Reduction Fund in the State Treasury to be available for appropriation by the Legislature for activities aimed at reducing the state's prison population, including, but not limited to, reducing recidivism. Status: Signed by the Governor, Chapter 310, Statutes of 2013.

SB 118 (Lieu) Education and Workforce Investment Systems: This bill requires the California Workforce Investment Board to incorporate specific principles into the state's strategic plan that align the education and workforce investment systems of the state to the needs of the 21st century economy and promotes a well-educated and highly skilled workforce to meet the state's future workforce needs. Status: Signed by the Governor, Chapter 562, Statutes of 2013.

SB 593 (Lieu) Social Impact Partnership Pilot Program: This bill establishes the Social Impact Partnership pilot program and authorizes the Governor to solicit applications for the establishment of new social impact partnerships with private entities in order to address significant social issues including, but not limited to, child abuse, job preparedness for youth, and high recidivism rates among the state's prison population. These partnerships are to be formalized through a pay-for-success contract, which sets the evaluation metrics, quality standards, and timelines. If the conditions of the pay-for-success contract are not met, the state pays nothing. Status: Vetoed by the Governor, 2014. The veto message reads: "This bill would provide the framework to implement a state-level pay-for-success pilot program. This innovative contracting method has merit. For this reason, I have signed AB 1837 which authorizes the Board of State and Community Corrections to provide three counties with grant funding to use the pay-for-success model with programs that reduce recidivism. This bill contains broad authorization and specific contract guidelines. It also requires a pay-for-success contract to be submitted with the proposed budget. The budget is not an appropriate venue for contracts of this nature to be approved. Instead, the contract details should be at the discretion of the department authorized to implement the program."

SB 798 (De León) Education Tax Credit*: This bill establishes a tax credit under Personal Income Tax law and Corporate Tax law equal to 60%, 55%, and 50% of contributions to a special education fund for the purposes of providing Cal Grants. Status: Signed by the Governor, Chapter 367, Statutes of 2014.

SB 837 (Steinberg) Transitional Kindergarten*: This bill would have clarified the use of \$25 million in state preschool funds appropriated in the 2014-15 Budget Act for professional development of transitional kindergarten and state preschool teachers. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2014.

SJR 10 (Lieu) Reauthorization of Workforce Investment Act of 1998*: This resolution urges the U.S. Congress to reauthorize the federal Workforce Investment Act of 1998, and for Congress to include policies that provide adequate funding and encourage cooperation between state or local

workforce investment boards and their clientele. Status: Adopted by the Legislature, Chapter 121, Statutes of 2013.

Section XI – 2013-2014 Legislative Hearings

During the 2013-2014 Legislative Session, JEDE held four informational hearings on the state's economic development programs and participated in a number of key economic development initiatives. The primary focus of the Committee's activities was on how the state could facilitate economic recovery with a special emphasis on the role of infrastructure, workforce development, and the capital needs of small businesses.

Short summaries of these activities are provided below. Additional information can be obtained through the JEDE website at <http://ajed.assembly.ca.gov/> or by contacting the JEDE Office at 916-319-2090.

Oversight Hearing on an Overview of the California Economy (February, 2013)

On Tuesday, February 5, 2013, the Assembly Committee on Jobs, Economic Development, and the Economy held the Committee's first informational hearing of the 2013-2014 Legislative Session. The objective of the hearing was to provide Members an overview of the California Economy which they would use later to oversee and evaluate state programs and legislative proposals for the upcoming legislative session.

During the course of the hearing, Members heard from financial and economic forecast experts, a federal government official, and a small business owner. Discussions between the Members and the speakers focused on:

- Better understanding the current economic trends shaping California's economy;
- The real-world needs of businesses and workers; and
- Recommendations for moving the state towards a more prosperous post-recession economy.

In addition, each speaker was asked to share their perspectives on California's economy today and their expectations for the near future.

Among other things, Members noted that significant shifts have been occurring in finance, technology, and our economic social structure. These shifts are making California and the global economy a meaningfully different place to do business.

Members used testimony and the proposed recommendations from the hearing as a reference tool as they consider legislative actions during the 2013-2014 Legislative Session.

Oversight Hearing on the Role of Trade and Foreign Investment on the Inland Empire's Regional Economy (November, 2013)

On Wednesday, November 6, 2013, the Assembly Committee on Jobs, Economic Development and the Economy, held an oversight hearing in Riverside County for the purpose of examining the role foreign trade and investment play within the regional economy of the Inland Empire.

During the course of the hearing, Members had an opportunity to hear from economic development experts, business leaders, and other important regional stakeholders. Among other things, the presenters discussed the region's key strengths, including its:

- Strategic location as the hub of two international trade and goods movement corridors;
- Its growing strength as a regional power; and
- The important role that quality universities like U.C. Riverside and C.S.U. San Bernardino play within the region.

Presenters also discussed the region's economic challenges in leveraging those advantages for a better quality of life for Inland Empire residents, including:

- Infrastructure that hasn't kept pace with the region's significant growth and is insufficient to meet the structural needs of a modern goods movement network;
- Low educational attainment among the current and future workforce; and
- A changing and more competitive global business environment.

Chair Medina put forward four policy questions to help guide the hearing. First, what actions can the state take to minimize economic and workforce challenges in the Inland Empire? Second, how can the state support local and regional efforts to catalyze private investments? Third, what opportunities are available to enhance the Inland Empire's global competitiveness by leveraging its two major trade corridors to Southern California's air, land, and sea ports? And, fourth, what actions can the state take to facilitate cross-border commerce and reduce de facto barriers to foreign investment and the international movement of goods?

Members discussed with the presenters how expanding foreign trade and investment helps to create jobs, strengthen existing businesses, and attract new firms to the Inland Empire. However, it was also noted, that in order to realize these opportunities the region needs to work strategically and collaboratively to prepare residents, businesses, and communities to effectively compete in this increasingly connected global economy.

Members and the public were provided with a pre-hearing background report, which included information on the California and Inland Empire economies, California's role within U.S. trade policy, and goods movement and logistical networks. The pre-hearing report also included a list of recommendations presented under three response areas:

1. Advocating for the Inland Empire
2. Improving business fundamentals (such as, access to capital, workforce development, and marketing)
3. Enhancing the Inland Empire's infrastructure and linkages to global markets

Members used testimony and the proposed recommendations from the hearing as a reference tool as they consider legislative actions during the 2013-2014 Legislative Session.

Oversight Hearing on Creating Competitive Advantages within the Southern California Logistical Network (February, 2014)

On Friday, February 28, 2014, the Assembly Committee on Jobs, Economic Development and the Economy held a field hearing in San Diego, California. The purpose of the hearing was to examine how the Southern California goods movement system impacts the state's global competitiveness and ability to attract high wage jobs in trade-related industry sectors.

During the course of the hearing Members had an opportunity to hear from economic development experts, business leaders, and other important stakeholders. Witnesses discussed how California communities are already significant players within the global economy, and that in the future, much of the state's economic growth will be the result of greater participation within the global economy and the strength of the trade-related industry sectors including advanced manufacturing, biotechnology, and information technologies.

Hearing testimony was provided by a variety of academic and economic development practitioners. As a framework for the hearing's discussions Chair Jose Medina proposed four policy questions:

- First, what economic opportunities do trade-related industries represent and how can the state support local and regional efforts to capitalize on those advantages?
- Second, how can the state support local and regional efforts to attract private investments?
- Third, how can trade corridors be better utilized to link businesses to the state's air, land, and sea ports?
- Fourth, what actions can the state take to facilitate cross-border commerce and reduce de facto barriers to foreign investment and the international movement of goods?

In addressing the key policy questions, witnesses were asked to comment on the preliminary recommendations provided by Committee staff. Preliminary recommendations revolved around issues of:

- Advocating for Southern California
- Expediting Goods Movement
- Enhancing Linkages to Global Logistical Networks

Members used testimony and the proposed recommendations from the hearing as a reference tool as they consider legislative actions during the 2013-2014 Legislative Session.

Oversight Hearing on the State International Trade and Investment Strategy and Related Programs (March, 2014)

On Tuesday, March 18, 2014 the Assembly Committee on Jobs, Economic Development, and the Economy, chaired by Assemblymember Jose Medina and the Assembly Select Committee on Asia/California Trade and Investment Promotion, chaired by Assemblymember Philip Ting, held a joint legislative oversight hearing. The purpose of the hearing was to review the state's recently released international trade strategy by the Governor's Office and Economic Development. In addition, the Export-Import Bank of the United States was present to provide a briefing to the Members of the committees.

This hearing served as a follow-up to ongoing policy initiatives of the committees on the impact of U.S. trade agreements on the California economy, infrastructure challenges to trade and global competitiveness, and commerce and tourism development within the Pacific Rim. Outcomes from these prior activities have included the introduction of legislation, as well as activities that deepen the Legislature's understanding of California's position within the global economy.

During the hearing, presentations included testimony from:

- **California Trade Strategy:** Brian Peck, the Chief Deputy Director for Trade and Investment at the Governor's Office of Business and Economic Development. Mr. Peck presented on the state's recently released state International Trade and Investment Strategy.
- **Export Financial Assistance:** Paul Duncan with the Western Regional Office of the Ex-Im Bank. Mr. Duncan outlined the current Ex-Im Bank programs including how California businesses have benefited.

Members used testimony and the proposed recommendations from the hearing as a reference tool as they consider legislative actions during the 2013-2014 Legislative Session.

2013-2014 End of Session Report Appendix I

Index by Bill Order

Bill Number	Author	Title	Status	Page
AB 9	Holden	Qualified Employee Definition for Enterprise Zone Tax Credit	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	4 and 30
AB 14	Lowenthal	State Freight Plans	Signed by the Governor, Chapter 223, Statutes of 2013.	45 and 52
AB 26	Bonilla	Greenhouse Gas Reduction Fund	Signed by the Governor, Chapter 864, Statutes of 2014.	23 and 52
AB 27	Medina	Vehicle Registration: Trailers: One-Trip Permits	Signed by the Governor, Chapter 301, Statutes 2014.	61
AB 28	V. Manuel Pérez	Enterprise Zone Restructuring	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	4 and 31
AB 53	John A. Pérez	California Economic Development Strategic Plan	Vetoed by the Governor, 2013.	4 and 45
AB 86	Assembly Committee on Budget	Education Omnibus Trailer Bill: Career Pathways Trust	Signed by the Governor, Chapter 48, Statutes of 2013.	4 and 66

AB 93	Assembly Committee on Budget	California Competes Tax Credit and State Sales and Use Tax Exemption	Signed by the Governor, Chapter 69, Statutes of 2013.	5, 16, and 31
AB 106	Assembly Committee on Budget	California Competes: Technical Changes 2 of 3	Signed by the Governor, Chapter 355, Statutes of 2013.	5, 17, and 31
AB 147	V. Manuel Pérez	I-Bank California-Mexico Border Assistance	Died in the Senate Committee on Rules, 2014	45
AB 172	Weber	State Contracting Microbusiness	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	38
AB 181	Logue	Baccalaureate Pilot Project	Held in Assembly Committee on Higher Education, 2014.	66
AB 201	Holden	Small Business Financial Development Corporations Notice	Signed by the Governor, Chapter 529, Statutes of 2013.	31
AB 250	Holden and V. Manuel Pérez	Codification of California Innovation Hubs	Signed by the Governor, Chapter 530, Statutes of 2013.	5, 17, 31, 52, and 67
AB 285	Brown	Scope of Practice for the California Workforce Investment Board	Vetoed by the Governor, 2013.	31 and 67
AB 305	V. Manuel Pérez	New Markets Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	5, 12, and 31

AB 311	V. Manuel Pérez	I-Bank California-Mexico Border Assistance	Died in the Assembly Committee on Appropriations	45 and 52
AB 337	Allen	Economic Development: International Trade and Investment Strategy	Signed by the Governor, Chapter 776, Statutes of 2014.	45 and 52
AB 366	Holden	Women, Minority, and Disabled Veteran Business Enterprises	Died in the Assembly Committee on Appropriations, 2014.	32 and 38
AB 393	Cooley	GO-Biz Website	Signed by the Governor, Chapter 124, Statutes of 2013.	5, 32, and 61
AB 412	Allen	California International Trade Study	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	45 and 53
AB 416	Gordon	Local Emission Reduction Program	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	23 and 53
AB 483	Ting	Local Government Tax and Fee Definitions	Signed by the Governor, Chapter 552, Statutes of 2013.	32
AB 548	Salas	Extension of Associate Nursing Degree Program	Signed by the Governor, Chapter 203, Statutes of 2014.	67

AB 550	Brown	State Procurement Procedures for Small Businesses	Held on the Suspense File of the Assembly Committee on Appropriations, 2014.	38 and 61
AB 574	Lowenthal	Sustainable Communities Strategy	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	12 and 24
AB 577	Nazarian	Rail Construction: County of Los Angeles	Signed by the Governor, Chapter 92, Statutes of 2014.	53
AB 600	Bonta	Intermodal Marine Terminals: Truck Equipment Moves	Signed by the Governor, Chapter 139, Statutes of 2014.	45
AB 628	Gorell and Hall	Energy Management Plans for Harbors and Port Districts	Signed by the Governor, Chapter 741, Statutes of 2013.	24, 45, 46, and 53
AB 646	Cooley	P-16 Councils	Held on the Suspense File in Assembly Committee on Appropriations, 2014.	67
AB 653	V. Manuel Pérez	California Innovation and Jobs Act	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	5, 24, and 67
AB 667	Hernández	Project Reviews of Superstores	Died in the Senate Committee on Governance and Finance, 2014.	32

AB 668	Gray	Economic Disaster Area Priority	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	12 and 38
AB 674	Quirk-Silva	Microenterprise Definition	Signed by the Governor, Chapter 101, Statutes of 2014.	5 and 32
AB 690	Campos and Medina	State Government: International Relations	Signed by the Governor, Chapter 716, Statutes of 2014.	46
AB 701	John A. Pérez	I-Bank Board Membership	Signed by the Governor, Chapter 393, Statutes of 2013.	24 and 53
AB 737	Fox	Unmanned Aircraft Systems Test Sites	Died in the Senate Committee on Judiciary, 2014.	5 and 53
AB 780	Bocanegra	Small Business Financial Development Corporation Funding:	Held on the Suspense File of the Senate Committee on Appropriations, 2013.	32
AB 837	Campos	Economic Development Program Reporting	Vetoed by the Governor, 2014.	32
AB 886	Allen and Ian Calderon	Importer-Exporter Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	46 and 53
AB 914	Bradford	New Commission	Died in Senate Committee on Rules, 2014.	67

AB 930	Hall	Enterprise Zones: Energy Management Plans	Died in the Assembly Committee on Natural Resources, 2014.	6, 24, and 53
AB 977	Salas	Career Technical Education at Community Colleges	Held in Assembly Committee on Higher Education, 2014.	67
AB 978	Blumenfield	Iran Financial Sanction Compliance	Signed by the Governor, Chapter 139, Statutes of 2013.	46
AB 1023	Eggman	Greenhouse Gas Emissions	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	24
AB 1042	Hall	Indian Gaming Special Distribution Fund	Signed by the Governor, Chapter 746, Statutes of 2013.	6 and 53
AB 1046	Gordon	Department of Transportation: Innovative Delivery Team Demonstration Program	Died in the Senate Committee on Appropriations, 2014.	61
AB 1051	Bocanegra	Sustainable Communities for All	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	12
AB 1056	Jones	Allowance Auction Reports	Died in the Assembly Committee on Natural Resources, 2014.	25

AB 1067	Medina	EB-5 Immigration Oversight	Signed by the Governor, Chapter 535, Statutes of 2013.	46 and 68
AB 1079	Bradford	Energy Management Plans	Held on the Suspense File of the Senate Committee on Appropriations, 2013.	25 and 54
AB 1081	Medina	Governor's Five-Year Infrastructure plan: Goods Movement	Held on the Suspense in the Senate Committee on Appropriations, 2013.	46 and 54
AB 1088	Muratsuchi	GO-Biz Trade Office in Japan	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	46
AB 1098	Quirk-Silva	Small Business Regulation Report	Died in the Senate Committee on Rules, 2014	32
AB 1166	Blumenfield	California Trade with Israel	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	46
AB 1178	Bocanegra	Promise Neighborhoods	Held in the Assembly Committee on Appropriations, 2014.	12

AB 1198	Jones-Sawyer	Public Contract Prohibition based on Employment Practices	Held in the Assembly Committee on Accountability and Administrative Review, 2014.	38 and 61
AB 1247	Medina and Bocanegra	Small Business Finance Center	Signed by the Governor, Chapter 537, Statutes of 2013.	6, 33, and 61
AB 1260	Medina	Definition of a California Family Owned Business	Vetoed by the Governor, 2014.	33 and 61
AB 1272	Medina	Infrastructure Financing Consortiums	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	54
AB 1315	John A. Pérez	California Green Collar Jobs Act	Died at the Senate Desk, 2014.	25 and 68
AB 1327	Gorell	Unmanned Aircraft Systems	Vetoed by the Governor, 2014.	17
AB 1330	John A. Pérez	Environmental Justice Funding	Held in Senate Committee on Rules, 2014.	54
AB 1375	Chau	Clean Technology Investment Account	Died in the Assembly Committee on Appropriations, 2014.	25
AB 1399	Medina and V. Manuel Pérez	New Markets Tax Credit	Vetoed by the Governor, 2014.	6, 12, and 33
AB 1400	Assembly Committee on Jobs, Economic Development, and the Economy	Export Document Certificates	Signed by the Governor, Chapter 539, Statutes of 2013.	18, 46, 61

AB 1422	Assembly Committee on Jobs, Economic Development and the Economy	California Alternative Energy and Advanced Transportation Financing Authority	Signed by the Governor, Chapter 540, Statutes of 2013.	6, 18, 46, 61
AB 1451	Holden	Concurrent Enrollment	Held on the Suspense File in Senate Committee on Appropriations, 2014.	68
AB 1456	Holden	Pay It Forward Tuition	Died in Senate Committee on Rules, 2014.	68
AB 1471	Rendon, Atkins, Gatto, Gomez, Perea, and Salas	Water Bond	Signed by the Governor, Chapter 188, Statutes of 2014.	54
AB 1501	Patterson	Federal Match for High-Speed Rail Funding	Died in the Assembly Committee on Transportation, 2014.	54
AB 1524	Waldron	Unmanned Aircraft Identification Requirements	Died in the Assembly Committee on Transportation, 2014.	18
AB 1560	Quirk-Silva	More Credits for California Competes	Signed by the Governor, Chapter 378, Statutes of 2014.	18
AB 1564	V. Manuel Pérez	Research and Development Credit	Held on the Suspense File in the Assembly Committee on Appropriations, 2014	6, 18, and 25

AB 1568	Grove	Quotes for Public Contracts	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	38
AB 1569	Rodriguez	Tax Credits Apprentice	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	68
AB 1602	Patterson	Roadside Rest Stops: Utility Costs and Business Enterprises for the Blind	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	39
AB 1612	Donnelly	Prohibit Fees for ADA Access	Vetoed by the Governor, 2014.	62
AB 1650	Jones-Sawyer	Prior Conviction History	Signed by the Governor, Chapter 880, Statutes of 2014.	39
AB 1661	Bonta	HOPE Act of 2014	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	12
AB 1675	Ian Calderon	Entrepreneur-in-Residence Act of 2014	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	6 and 62
AB 1678	Gordon	Women, Minority, Disabled Veteran, LGBT Businesses	Signed by the Governor, Chapter 633, Statutes of 2014.	39

AB 1684	Grove	Cap-and-Trade Auction Revenues for High Speed Rail	Died in the Assembly Committee on Natural Resources, 2014.	54
AB 1696	Wieckowski	Electric Charging Stations in State Parking Facilities	Died on the Senate Inactive File, 2014.	18 and 25
AB 1711	Cooley	Economic Impact Assessment	Signed by the Governor, Chapter 779, Statutes of 2014.	62
AB 1721	Linder	HOT Lanes: Low-Emission Vehicles	Signed by the Governor, Chapter 526, Statutes of 2014.	18 and 25
AB 1734	Jones-Sawyer	Public contracts: Small Business Participation: Disabled Veterans	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	39
AB 1769	Dababneh	LLC Fee Exception	Died in the Assembly Committee on Revenue and Taxation, 2014.	33
AB 1837	Atkins	Social Innovation Financing to Address Recidivism	Signed by the Governor, Chapter 802, Statutes of 2014.	12 and 68
AB 1839	Gatto and Bocanegra	Film Tax Credit	Signed by the Governor, Chapter 413, Statutes of 2014.	7

AB 1857	Frazier	Best Value Procurement	Signed by the Governor, Chapter 381, Statutes of 2014.	39
AB 1908	Bigelow	Farm Vehicles	Died in the Assembly Committee on Transportation, 2014.	62
AB 1910	Gray	Workforce and Economic Development in the San Joaquin Valley	Vetoed by the Governor, 2014.	68
AB 1950	Campos	Career Education Incentive Program	Held on the Suspense File in Assembly Committee on Appropriations, 2014.	69
AB 1970	Gordon	Community Investment and Innovation Program	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	13 and 25
AB 1988	Chávez	North County Transit District: Flexible Procurement Process	Died in the Assembly Committee on Local Government, 2014.	39 and 62
AB 2008	Quirk	Transit Village Plans: Goods Movement	Signed by the Governor, Chapter 88, Statutes of 2014.	47 and 55
AB 2021	Gordon	San Mateo County Transit District	Died in the Senate Committee on Appropriations, 2014.	55

AB 2022	Medina	Target Area Contract Preference Act	Signed by the Governor, Chapter 780, Statutes of 2014.	13 and 39
AB 2036	Mansoor	Toll Facilities Vote Thresholds	Died in the Assembly Committee on Transportation, 2014.	55
AB 2060	V. Manuel Pérez	Supervised Population Workforce Training Grant Program	Signed by the Governor, Chapter 383, Statutes of 2014.	13 and 69
AB 2096	Muratsuchi	Securities Transactions: Small Company	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	33
AB 2128	Gordon	COIN Program	Signed by the Governor, Chapter 384, Statutes of 2014.	13
AB 2137	Quirk	Small Business Energy Efficiency	Signed by the Governor, Chapter 290, Statutes of 2014.	26 and 33
AB 2176	John A. Pérez	Governor's Office of Business and Economic Development	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	7
AB 2188	Muratsuchi	Solar Roofs	Signed by the Governor, Chapter 521, Statutes of 2014.	26 and 33
AB 2200	John A. Pérez	Cyber Security	Died at the Assembly Desk, 2014.	18

AB 2250	Daly	Toll Facility Revenues	Signed by the Governor, Chapter 500, Statutes of 2014.	55
AB 2278	Weber	State Agency Contracts: Small Business	Held one the Suspense File in the Assembly Committee on Appropriations, 2014.	39
AB 2280	Alejo	Community Revitalization and Investment Authorities	Vetoed by the Governor, 2014.	13
AB 2290	John A. Pérez	California Infrastructure and Economic Development Bank	Died on the Senate Floor, 2014.	55
AB 2387	Pan	Peace Officer Training	Signed by the Governor, Chapter 504, Statutes of 2014.	40
AB 2389	Fox	Advanced Strategic Aircraft Tax Credit	Signed by the Governor, Chapter 116, Statutes of 2014.	7 and 19
AB 2395	Lowenthal	Oxnard Harbor District Debt Limit:	Signed by the Governor, Chapter 293, Statutes of 2014.	47
AB 2413	John A. Pérez	Office of Farm to Fork	Signed by the Governor, Chapter 583, Statutes of 2014.	7
AB 2447	Cooley	Public Contracts: Sacramento Regional Transit District	Died in the Assembly Committee on Local Government, 2014.	40

AB 2466	Nestande	Small Business Exception Franchise Fee	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	33
AB 2565	Muratsuchi	Rental Property: Electric Vehicle Charging Stations	Signed by the Governor, Chapter 529, Statutes of 2014.	19, 26, 40, and 55
AB 2574	Rodriguez	Metro Gold Line Foothill Extension Construction Authority	Died in the Assembly Committee on Transportation, 2014.	55
AB 2593	Bradford	Diversity Reporting	Vetoed by the Governor, 2014.	26 and 40
AB 2624	Medina	"Made in North America" Labeling	Died on the Senate Inactive File, 2014.	34 and 62
AB 2636	Gatto and Skinner	Water Efficiency Revolving Fund	Signed by the Governor, Chapter 825, Statutes of 2014.	55
AB 2650	Conway	High-Speed Rail Bonds	Died in the Assembly Committee on Transportation, 2014.	55
AB 2670	Medina	Small Business Technical Assistance Act of 2014	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	34
AB 2675	Lowenthal	State Agency: Public Contracts	Signed by the Governor, Chapter 617, Statutes of 2014.	40 and 41

AB 2682	Wagner	Responsible Small Business and DVBE Contractors	Died in the Assembly Committee on Accountability and Administrative Review, 2014.	40
AB 2704	Allen	Lowest Cost Implementation	Died in the Assembly Committee on Natural Resources, 2014.	62
AB 2713	Quirk-Silva	California and South Korea Economic Relations	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	47
AB 2717	Bonta and Skinner	Appropriation for Small Business Development Center Program	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	34
AB 2722	Ridley-Thomas	Los Angeles County Metropolitan Transportation Authority: Contracting	Died in the Assembly Committee on Local Government, 2014.	41
AB 2723	Medina	Small Business Regulatory Reform	Vetoed by the Governor, 2014.	34 and 63
AB 2729	Medina	California Infrastructure and Development Bank	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	56

AB 2749	Committee on Jobs, Economic Development, and the Economy	Economic Development Definitions	Signed by the Governor, Chapter 132, Statutes of 2014.	7
AB 2752	Assembly Committee on Transportation	Transportation Omnibus	Signed by the Governor, Chapter 345, Statutes of 2014.	56
ACR 48	Allen	Start a Small Business Month	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	34
ACR 100	Alejo	Relations with El Salvador	Adopted by the Legislature, Resolution 172, Statutes of 2014.	47
ACR 118	Logue	California Tradesmen Day	Adopted by the Legislature, Resolution 174, Statutes of 2014.	69
ACR 119	Muratsuchi	Career technical Education Funding	Adopted by the Legislature, Resolution 156, Statutes of 2014.	69
AJR 4	Hueso and V. Manuel Pérez	United States-Mexico Border Infrastructure	Adopted by the Legislature, Resolution 24, Statutes of 2013.	47 and 56
AJR 12	Gatto	Foreign Minimum Wage	Adopted by the Legislature, Resolution 152, Statutes of 2013.	47
AJR 13	Campos, Hueso, and Steinberg	Reopening of Job Corps Centers	Adopted by the Legislature, Resolution 49, Statutes of 2013.	69

AJR 37	Muratsuchi	The Export-Import Bank of the United States	Adopted by the Legislature, Resolution 72, Statutes of 2014.	47
AJR 53	Rendon	National Freight Network Trust Fund Act of 2014	Adopted by the Legislature, Resolution 167, Statutes of 2014.	47
HR 17	Medina	Small Business Month	Adopted, 2013.	34
HR 44	Medina	Related to the 100 th Anniversary of the Panama Canal	Adopted, 2014.	48
HR 55	Ridley-Thomas	50 th Anniversary of Federal Economic Opportunity Act	Died in the Assembly Committee on Higher Education, 2014.	69
SB 1	Steinberg	Sustainable Communities Investment Authority	Died on the Senate Inactive File, 2014.	13
SB 4	Pavley and Gray	Oil and Gas: Well Stimulation	Signed by the Governor, Chapter 313, Statutes of 2013.	26 and 56
SB 9	Price	Office of Social Innovation and Entrepreneurship Development	Died in the Senate Committee on Governance and Finance, 2013.	14
SB 12	Corbett	"Made in California" Labeling	Signed by the Governor, Chapter 541, Statutes of 2013.	34 and 63
SB 64	Corbett	Clean Technology Investment Account	Held on the Suspense File for the Assembly Committee on Appropriations, 2014.	26

SB 73	Senate Budget and Fiscal Review Committee	Proposition 39 Budget Trailer Bill	Signed by the Governor, Chapter 357, Statutes of 2013.	7, 26, and 70
SB 90	Galgiani	California Competes: Technical Changes 1 of 3	Signed by the Governor, Chapter 70, Statutes of 2013.	8, 19, and 35
SB 100	Senate Committee on Budget and Finance	California Competes 3 of 3: Technical Changes	Signed by the Governor, Chapter 360, Statutes of 2013.	8, 19, and 35
SB 105	Steinberg	Recidivism Reduction Fund	Signed by the Governor, Chapter 310, Statutes of 2013.	70
SB 118	Lieu	Education and Workforce Investment Systems	Signed by the Governor, Chapter 562, Statutes of 2013.	8 and 70
SB 133	DeSaulnier	Redevelopment and Affordable Housing	Vetoed by the Governor, 2014.	8
SB 176	Galgiani	Outreach on Administrative Procedures	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	35 and 63
SB 209	Lieu	Qualified Small Business Stock Income Tax	Signed by the Governor, Chapter 543, Statutes of 2013.	35 and 63
SB 297	Roth	Public Contracts and Disabled Veterans	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	41

SB 318	Hill	Affordable Credit-Building Opportunities	Signed by the Governor, Chapter 467, Statutes of 2013.	14
SB 418	Jackson and Block	Nuclear Fission Powerplants	Died in the Assembly Committee on Utilities and Commerce, 2014.	27 and 56
SB 470	Wright	Community Development and Economic Opportunity	Signed by the Governor, Chapter 659, Statutes of 2013.	8
SB 511	Lieu	California Export Finance Office	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	27 and 48
SB 592	Lieu	Trade Promotion of California Ports	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	56
SB 593	Lieu	Social Impact Partnerships: Pilot Program	Vetoed by the Governor, 2014.	14 and 70
SB 605	Lara and Pavley	ARB Scoping Plan	Signed by the Governor, Chapter 523, Statutes of 2014.	27
SB 610	Jackson	Franchisee Contracts	Vetoed by the Governor, 2014.	35
SB 616	Roth	Airport Improvement Program: State Matching Funds	Died at the Senate Desk, 2014.	56

SB 628	Beall	Enhanced Infrastructure Financing Districts	Signed by the Governor, Chapter 785, Statutes of 2014.	56
SB 661	Hill	Made in America" Labeling	Died in the Senate Committee on Judiciary, 2014.	35 and 63
SB 674	Corbett	California Environmental Quality Act: Residential Infill Exemption	Signed by the Governor, Chapter 549, Statutes of 2014.	63
SB 718	Roth	Advanced Strategic Aircraft Tax Credit Expansion	Signed by the Governor, Chapter 189, Statutes of 2014.	8 and 19
SB 733	Block	Disabled Veteran Business Enterprise Participation Goals	Died in the Assembly Committee on Jobs, Economic Development and the Economy, 2014.	41
SB 752	Roth	Commercial and Industrial Common Interest Developments	Signed by the Governor, Chapter 605, Statutes of 2013.	8, 36, and 64
SB 785	Wolk	Design-Build	Signed by the Governor, Chapter 931, Statutes of 2014.	64
SB 792	DeSaulnier	Regional Entities: Bay Area	Vetoed by the Governor, 2014.	27
SB 793	Lara	Air Pollution: Oceangoing Vessels	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	64

SB 798	De León	Green Infrastructure Bank	This bill was amended in the Senate related to a different subject matter. Signed by the Governor, Chapter 367, Statutes of 2014.	8, 28, 56, and 70
SB 837	Steinberg	Transitional Kindergarten	Held on the Suspense File of the Assembly Committee on Appropriations, 2014.	70
SB 839	Correa	Contracting with Veterans	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	41
SB 861	Budget and Fiscal Review Committee	Reorganization of Water Infrastructure Finance	Signed by the Governor, Chapter 35, Statutes of 2014.	57
SB 862	Senate Committee on Budget and Fiscal Review	Cap-and-Trade Trailer Bill	Signed by the Governor, Chapter 36, Statutes of 2014.	28
SB 896	Correa	Exemption from Finance Lenders Law	Signed by the Governor, Chapter 190, Statutes of 2013.	14
SB 901	Vidak	High-Speed Rail: Funding	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 902	Vidak	High-Speed Rail: Eminent Domain	Died in the Senate Committee on Transportation and Housing, 2014.	57

SB 903	Vidak	High-Speed Rail: Private Property: Owner Consent	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 904	Vidak	High-Speed Rail: Private Property: Owner Consent	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 907	Monning	International Commercial Disputes	Held in Assembly Committee on Judiciary, 2014.	48
SB 925	Wright	Alameda Corridor	Died in the Senate Committee on Rules, 2014.	48
SB 928	Correa and Huff	International Trade and Investment Office	Vetoed by the Governor, 2014.	48
SB 969	DeSaulnier	Public Works	Vetoed by the Governor, 2014.	64
SB 981	Huff	Review of Prior Regulations	Died in the Senate Committee on Governmental Organization, 2014.	64
SB 1121	De Léon	Climate Technology and Infrastructure Financing Act	Died on the Assembly Inactive File, 2014.	28 and 57
SB 1122	Pavley	Sustainable Communities: Strategic Growth Council	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	28
SB 1204	Lara and Pavley	Clean Off-Road Technology Program	Signed by the Governor, Chapter 524, Statutes of 2014.	28

SB 1228	Hueso	Trade Corridors Improvement Fund	Signed by the Governor, Chapter 787, Statutes of 2014.	48 and 57
SB 1301	DeSaulnier	Socially Responsible Corporations Act	Signed by the Governor, Chapter 694, Statutes of 2014.	14
SB 1335	Leno	Tax Credit Accountability	Signed by the Governor, Chapter 845, Statutes of 2014.	9
SB 1372	De Saulnier and Hancock	Executive Compensations and Tax Rates	Died on the Senate Floor, 2014.	9
SCR 62	Jackson	Representation of Women in Corporations	Adopted by the Legislature, Chapter 127, Statutes of 2013.	9
SCR 82	Hueso	Jalisco, Mexico: Sister State Relationship	Adopted by the Legislature, Resolution 70, Statutes of 2014.	48
SCR 103	De León	California and El Salvador Partnership	Adopted by the Legislature, Resolution 108, Statutes of 2014.	49
SCR 121	Block	Trade: Israel: Memorandum of Understanding	Adopted by the Legislature, Resolution 113, Statutes of 2014.	49
SJR 10	Lieu	Reauthorization of Workforce Investment Act of 1998	Adopted by the Legislature, Resolution 121, Statutes of 2013.	70
SJR 15	Hancock	Postal Service Protection Act of 2013	Adopted by the Legislature, Resolution 122, Statutes of 2013	9 and 57

SJR 16	Emmerson	Transatlantic Trade and Investment Partnership	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	49
SJR 32	Correa	Biotechnology Industry and Taxation	Died in the Senate Committee on Rules, 2014.	19
SR 20	Emmerson, Berryhill, DeSaulnier, Liu, Steinberg, Walters, and Wright	Transatlantic Trade and Investment Partnership	Approved, by the Senate, Statutes of 2013.	49

2013-2014 End of Session Report Appendix II

Index by Subject Matter

The California Economy

Bill Number	Author	Title	Status	Page
AB 9	Holden	Qualified Employee Definition for Enterprise Zone Tax Credit	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	4 and 30
AB 28	V. Manuel Pérez	Enterprise Zone Restructuring	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	4 and 31
AB 53	John A. Pérez	California Economic Development Strategic Plan	Vetoed by the Governor, 2013.	4 and 45
AB 86	Assembly Committee on Budget	Education Omnibus Trailer Bill: Career Pathways Trust	Signed by the Governor, Chapter 48, Statutes of 2013.	4 and 66
AB 93	Assembly Committee on Budget	California Competes Tax Credit and State Sales and Use Tax Exemption	Signed by the Governor, Chapter 69, Statutes of 2013.	5, 16, and 31
AB 106	Assembly Committee on Budget	California Competes: Technical Changes 2 of 3	Signed by the Governor, Chapter 355, Statutes of 2013.	5, 17, and 31

AB 250	Holden and V. Manuel Pérez	Codification of California Innovation Hubs	Signed by the Governor, Chapter 530, Statutes of 2013.	5, 17, 31, 52, and 67
AB 305	V. Manuel Pérez	New Markets Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	5, 12, and 31
AB 393	Cooley	GO-Biz Website	Signed by the Governor, Chapter 124, Statutes of 2013.	5, 32, and 61
AB 653	V. Manuel Pérez	California Innovation and Jobs Act	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	5, 24, and 67
AB 674	Quirk-Silva	Microenterprise Definition	Signed by the Governor, Chapter 101, Statutes of 2014.	5 and 32
AB 737	Fox	Unmanned Aircraft Systems Test Sites	Died in the Senate Committee on Judiciary, 2014.	5 and 53
AB 930	Hall	Enterprise Zones: Energy Management Plans	Died in the Assembly Committee on Natural Resources, 2014.	6, 24, and 53
AB 1042	Hall	Indian Gaming Special Distribution Fund	Signed by the Governor, Chapter 746, Statutes of 2013.	6 and 53

AB 1247	Medina and Bocanegra	Small Business Finance Center	Signed by the Governor, Chapter 537, Statutes of 2013.	6, 33, and 61
AB 1399	Medina and V. Manuel Pérez	New Markets Tax Credit	Vetoed by the Governor, 2014.	6, 12, and 33
AB 1422	Assembly Committee on Jobs, Economic Development and the Economy	California Alternative Energy and Advanced Transportation Financing Authority	Signed by the Governor, Chapter 540, Statutes of 2013.	6, 18, 46, and 61
AB 1564	V. Manuel Pérez	Research and Development Credit	Held on the Suspense File in the Assembly Committee on Appropriations, 2014	6, 18, and 25
AB 1675	Ian Calderon	Entrepreneur-in-Residence Act of 2014	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	6 and 62
AB 1839	Gatto and Bocanegra	Film Tax Credit	Signed by the Governor, Chapter 413, Statutes of 2014.	7
AB 2176	John A. Pérez	Governor's Office of Business and Economic Development	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	7
AB 2389	Fox	Advanced Strategic Aircraft Tax Credit	Signed by the Governor, Chapter 116, Statutes of 2014.	7 and 19

AB 2413	John A. Pérez	Office of Farm to Fork	Signed by the Governor, Chapter 583, Statutes of 2014.	7
AB 2749	Committee on Jobs, Economic Development, and the Economy	Economic Development Definitions	Signed by the Governor, Chapter 132, Statutes of 2014.	7
SB 73	Senate Budget and Fiscal Review Committee	Proposition 39 Budget Trailer Bill	Signed by the Governor, Chapter 357, Statutes of 2013.	7, 26, and 70
SB 90	Galgiani	California Competes: Technical Changes 1 of 3	Signed by the Governor, Chapter 70, Statutes of 2013.	8, 19, and 35
SB 100	Senate Committee on Budget and Finance	California Competes 3 of 3: Technical Changes	Signed by the Governor, Chapter 360, Statutes of 2013.	8, 19, and 35
SB 118	Lieu	Education and Workforce Investment Systems	Signed by the Governor, Chapter 562, Statutes of 2013.	8 and 70
SB 133	DeSaulnier	Redevelopment and Affordable Housing	Vetoed by the Governor, 2014.	8
SB 470	Wright	Community Development and Economic Opportunity	Signed by the Governor, Chapter 659, Statutes of 2013.	8
SB 718	Roth	Advanced Strategic Aircraft Tax Credit Expansion	Signed by the Governor, Chapter 189, Statutes of 2014.	8 and 19

SB 752	Roth	Commercial and Industrial Common Interest Developments	Signed by the Governor, Chapter 605, Statutes of 2013.	8, 36, and 64
SB 798	De León	Green Infrastructure Bank	This bill was amended in the Senate related to a different subject matter. Signed by the Governor, Chapter 367, Statutes of 2014.	8, 28, 56, and 70
SB 1335	Leno	Tax Credit Accountability	Signed by the Governor, Chapter 845, Statutes of 2014.	9
SB 1372	De Saulnier and Hancock	Executive Compensations and Tax Rates	Died on the Senate Floor, 2014.	9
SCR 62	Jackson	Representation of Women in Corporations	Adopted by the Legislature, Chapter 127, Statutes of 2013.	9
SJR 15	Hancock	Postal Service Protection Act of 2013	Adopted by the Legislature, Resolution 122, Statutes of 2013	9 and 57

Social Innovation Financing

Bill Number	Author	Title	Status	Page
AB 305	V. Manuel Pérez	New Markets Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	5, 12, and 31
AB 574	Lowenthal	Sustainable Communities Strategy	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	12 and 24
AB 668	Gray	Economic Disaster Area Priority	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	12 and 38
AB 1051	Bocanegra	Sustainable Communities for All	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	12
AB 1178	Bocanegra	Promise Neighborhoods	Held in the Assembly Committee on Appropriations, 2014.	12
AB 1399	Medina and V. Manuel Pérez	New Markets Tax Credit	Vetoed by the Governor, 2014.	6, 12, and 33

AB 1661	Bonta	HOPE Act of 2014	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	12
AB 1837	Atkins	Social Innovation Financing to Address Recidivism	Signed by the Governor, Chapter 802, Statutes of 2014.	12 and 68
AB 1970	Gordon	Community Investment and Innovation Program	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	13 and 25
AB 2022	Medina	Target Area Contract Preference Act	Signed by the Governor, Chapter 780, Statutes of 2014.	13 and 39
AB 2060	V. Manuel Pérez	Supervised Population Workforce Training Grant Program	Signed by the Governor, Chapter 383, Statutes of 2014.	13 and 69
AB 2128	Gordon	COIN Program	Signed by the Governor, Chapter 384, Statutes of 2014.	13
AB 2280	Alejo	Community Revitalization and Investment Authorities	Vetoed by the Governor, 2014.	13
SB 1	Steinberg	Sustainable Communities Investment Authority	Died on the Senate Inactive File, 2014.	13

SB 4	Pavley and Gray	Oil and Gas: Well Stimulation	Signed by the Governor, Chapter 313, Statutes of 2013.	26 and 56
SB 9	Price	Office of Social Innovation and Entrepreneurship Development	Died in the Senate Committee on Governance and Finance, 2013.	14
SB 318	Hill	Affordable Credit-Building Opportunities	Signed by the Governor, Chapter 467, Statutes of 2013.	14
SB 593	Lieu	Social Impact Partnerships: Pilot Program	Vetoed by the Governor, 2014.	14 and 70
SB 896	Correa	Exemption from Finance Lenders Law	Signed by the Governor, Chapter 190, Statutes of 2013.	14
SB 1301	DeSaulnier	Socially Responsible Corporations Act	Signed by the Governor, Chapter 694, Statutes of 2014.	14

Manufacturing

<u>Bill Number</u>	<u>Author</u>	<u>Title</u>	<u>Status</u>	<u>Page</u>
AB 93	Assembly Committee on Budget	California Competes Tax Credit and State Sales and Use Tax Exemption	Signed by the Governor, Chapter 69, Statutes of 2013.	5, 16, and 31
AB 106	Assembly Committee on Budget	California Competes: Technical Changes 2 of 3	Signed by the Governor, Chapter 355, Statutes of 2013.	5, 17, and 31
AB 250	Holden and V. Manuel Pérez	Codification of California Innovation Hubs	Signed by the Governor, Chapter 530, Statutes of 2013.	5, 17, 31, 52, and 67
AB 305	V. Manuel Pérez	New Markets Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	5, 12, and 31
AB 653	V. Manuel Pérez	California Innovation and Jobs Act	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	5, 24, and 67
AB 737	Fox	Unmanned Aircraft Systems Test Sites	Died in the Senate Committee on Judiciary, 2014.	5 and 53
AB 1399	Medina and V. Manuel Pérez	New Markets Tax Credit	Vetoed by the Governor, 2014.	6, 12, and 33
AB 1400	Assembly Committee on Jobs, Economic Development, and the	Export Document Certificates	Signed by the Governor, Chapter 539, Statutes of 2013.	18, 46, 61

	Economy			
AB 1422	Assembly Committee on Jobs, Economic Development and the Economy	California Alternative Energy and Advanced Transportation Financing Authority	Signed by the Governor, Chapter 540, Statutes of 2013.	6, 18, 46, and 61
AB 1524	Waldron	Unmanned Aircraft Identification Requirements	Died in the Assembly Committee on Transportation, 2014.	18
AB 1560	Quirk-Silva	More Credits for California Competes	Signed by the Governor, Chapter 378, Statutes of 2014.	18
AB 1564	V. Manuel Pérez	Research and Development Credit	Held on the Suspense File in the Assembly Committee on Appropriations, 2014	6, 18, and 25
AB 1696	Wieckowski	Electric Charging Stations in State Parking Facilities	Died on the Senate Inactive File, 2014.	18 and 25
AB 1721	Linder	HOT Lanes: Low-Emission Vehicles	Signed by the Governor, Chapter 526, Statutes of 2014.	18 and 25
AB 2200	John A. Pérez	Cyber Security	Died at the Assembly Desk, 2014.	18

AB 2389	Fox	Advanced Strategic Aircraft Tax Credit	Signed by the Governor, Chapter 116, Statutes of 2014.	7 and 19
AB 2565	Muratsuchi	Rental Property: Electric Vehicle Charging Stations	Signed by the Governor, Chapter 529, Statutes of 2014.	19, 26, 40, and 55
SB 90	Galgiani	California Competes: Technical Changes 1 of 3	Signed by the Governor, Chapter 70, Statutes of 2013.	8, 19, and 35
SB 100	Senate Committee on Budget and Finance	California Competes 3 of 3: Technical Changes	Signed by the Governor, Chapter 360, Statutes of 2013.	8, 19, and 35
SB 718	Roth	Advanced Strategic Aircraft Tax Credit Expansion	Signed by the Governor, Chapter 189, Statutes of 2014.	8 and 19
SJR 32	Correa	Biotechnology Industry and Taxation	Died in the Senate Committee on Rules, 2014.	19

California's Clean Technology Economy

Bill Number	Author	Title	Status	Page
AB 26	Bonilla	Greenhouse Gas Reduction Fund	Signed by the Governor, Chapter 864, Statutes of 2014.	23 and 52
AB 416	Gordon	Local Emission Reduction Program	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	23 and 53
AB 574	Lowenthal	Sustainable Communities Strategy	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	12 and 24
AB 628	Gorell and Hall	Energy Management Plans for Harbors and Port Districts	Signed by the Governor, Chapter 741, Statutes of 2013.	24, 45, 46, and 53
AB 653	V. Manuel Pérez	California Innovation and Jobs Act	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	5, 24, and 67
AB 701	John A. Pérez	I-Bank Board Membership	Signed by the Governor, Chapter 393, Statutes of 2013.	24 and 53
AB 930	Hall	Enterprise Zones: Energy Management Plans	Died in the Assembly Committee on Natural Resources, 2014.	6, 24, and 53

AB 1023	Eggman	Greenhouse Gas Emissions	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	24
AB 1051	Bocanegra	Sustainable Communities for All	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	12
AB 1056	Jones	Allowance Auction Reports	Died in the Assembly Committee on Natural Resources, 2014.	25
AB 1079	Bradford	Energy Management Plans	Held on the Suspense File of the Senate Committee on Appropriations, 2013.	25 and 54
AB 1315	John A. Pérez	California Green Collar Jobs Act	Died at the Senate Desk, 2014.	25 and 68
AB 1330	John A. Pérez	Environmental Justice Funding	Held in Senate Committee on Rules, 2014.	54
AB 1375	Chau	Clean Technology Investment Account	Died in the Assembly Committee on Appropriations, 2014.	25
AB 1564	V. Manuel Pérez	Research and Development Credit	Held on the Suspense File in the Assembly Committee on Appropriations, 2014	6, 18, and 25

AB 1696	Wieckowski	Electric Charging Stations in State Parking Facilities	Died on the Senate Inactive File, 2014.	18 and 25
AB 1721	Linder	HOT Lanes: Low-Emission Vehicles	Signed by the Governor, Chapter 526, Statutes of 2014.	18 and 25
AB 1970	Gordon	Community Investment and Innovation Program	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	13 and 25
AB 2137	Quirk	Small Business Energy Efficiency	Signed by the Governor, Chapter 290, Statutes of 2014.	26 and 33
AB 2188	Muratsuchi	Solar Roofs	Signed by the Governor, Chapter 521, Statutes of 2014.	26 and 33
AB 2565	Muratsuchi	Rental Property: Electric Vehicle Charging Stations	Signed by the Governor, Chapter 529, Statutes of 2014.	19, 26, 40, and 55
AB 2593	Bradford	Diversity Reporting	Vetoed by the Governor, 2014.	26 and 40
SB 4	Pavley and Gray	Oil and Gas: Well Stimulation	Signed by the Governor, Chapter 313, Statutes of 2013.	26 and 56

SB 64	Corbett	Clean Technology Investment Account	Held on the Suspense File for the Assembly Committee on Appropriations, 2014.	26
SB 73	Senate Budget and Fiscal Review Committee	Proposition 39 Budget Trailer Bill	Signed by the Governor, Chapter 357, Statutes of 2013.	7, 26, and 70
SB 418	Jackson and Block	Nuclear Fission Powerplants	Died in the Assembly Committee on Utilities and Commerce, 2014.	27 and 56
SB 511	Lieu	California Export Finance Office	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	27 and 48
SB 605	Lara and Pavley	ARB Scoping Plan	Signed by the Governor, Chapter 523, Statutes of 2014.	27
SB 792	DeSaulnier	Regional Entities: Bay Area	Vetoed by the Governor, 2014.	27
SB 798	De León	Green Infrastructure Bank	This bill was amended in the Senate related to a different subject matter. Signed by the Governor, Chapter 367, Statutes of 2014.	8, 28, 56, and 70

SB 862	Senate Committee on Budget and Fiscal Review	Cap-and-Trade Trailer Bill	Signed by the Governor, Chapter 36, Statutes of 2014.	28
SB 1121	De León	Climate Technology and Infrastructure Financing Act	Died on the Assembly Inactive File, 2014.	28 and 57
SB 1122	Pavley	Sustainable Communities: Strategic Growth Council	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	28
SB 1204	Lara and Pavley	Clean Off-Road Technology Program	Signed by the Governor, Chapter 524, Statutes of 2014.	28

Small Business Development and Operations

Bill Number	Author	Title	Status	Page
AB 9	Holden	Qualified Employee Definition for Enterprise Zone Tax Credit	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	4 and 30
AB 28	V. Manuel Pérez	Enterprise Zone Restructuring	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	4 and 31
AB 93	Assembly Committee on Budget	California Competes Tax Credit and State Sales and Use Tax Exemption	Signed by the Governor, Chapter 69, Statutes of 2013.	5, 16, and 31
AB 106	Assembly Committee on Budget	California Competes: Technical Changes 2 of 3	Signed by the Governor, Chapter 355, Statutes of 2013.	5, 17, and 31
AB 201	Holden	Small Business Financial Development Corporations Notice	Signed by the Governor, Chapter 529, Statutes of 2013.	31
AB 250	Holden and V. Manuel Pérez	Codification of California Innovation Hubs	Signed by the Governor, Chapter 530, Statutes of 2013.	5, 17, 31, 52, and 67
AB 285	Brown	Scope of Practice for the California Workforce Investment Board	Vetoed by the Governor, 2013.	31 and 67

AB 305	V. Manuel Pérez	New Markets Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	5, 12, and 31
AB 366	Holden	Women, Minority, and Disabled Veteran Business Enterprises	Died in the Assembly Committee on Appropriations, 2014.	32 and 38
AB 393	Cooley	GO-Biz Website	Signed by the Governor, Chapter 124, Statutes of 2013.	5, 32, and 61
AB 483	Ting	Local Government Tax and Fee Definitions	Signed by the Governor, Chapter 552, Statutes of 2013.	32
AB 667	Hernández	Project Reviews of Superstores	Died in the Senate Committee on Governance and Finance, 2014.	32
AB 674	Quirk-Silva	Microenterprise Definition	Signed by the Governor, Chapter 101, Statutes of 2014.	5 and 32
AB 780	Bocanegra	Small Business Financial Development Corporation Funding:	Held on the Suspense File of the Senate Committee on Appropriations, 2013.	32
AB 837	Campos	Economic Development Program Reporting	Vetoed by the Governor, 2014.	32

AB 1098	Quirk-Silva	Small Business Regulation Report	Died in the Senate Committee on Rules, 2014	32
AB 1247	Medina and Bocanegra	Small Business Finance Center	Signed by the Governor, Chapter 537, Statutes of 2013.	6, 33, and 61
AB 1260	Medina	Definition of a California Family Owned Business	Vetoed by the Governor, 2014.	33 and 61
AB 1399	Medina and V. Manuel Pérez	New Markets Tax Credit	Vetoed by the Governor, 2014.	6, 12, and 33
AB 1769	Dababneh	LLC Fee Exception	Died in the Assembly Committee on Revenue and Taxation, 2014.	33
AB 2096	Muratsuchi	Securities Transactions: Small Company	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	33
AB 2137	Quirk	Small Business Energy Efficiency	Signed by the Governor, Chapter 290, Statutes of 2014.	26 and 33
AB 2188	Muratsuchi	Solar Roofs	Signed by the Governor, Chapter 521, Statutes of 2014.	26 and 33
AB 2466	Nestande	Small Business Exception Franchise Fee	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	33

AB 2624	Medina	"Made in North America" Labeling	Died on the Senate Inactive File, 2014.	34 and 62
AB 2670	Medina	Small Business Technical Assistance Act of 2014	Held one the Suspense File in the Assembly Committee on Appropriations, 2014.	34
AB 2717	Bonta and Skinner	Appropriation for Small Business Development Center Program	Held one the Suspense File in the Assembly Committee on Appropriations, 2014.	34
AB 2723	Medina	Small Business Regulatory Reform	Vetoed by the Governor, 2014.	34 and 63
HR 17	Medina	Small Business Month	Adopted, 2013.	34
SB 12	Corbett	"Made in California" Labeling	Signed by the Governor, Chapter 541, Statutes of 2013.	34 and 63
SB 90	Galgiani	California Competes: Technical Changes 1 of 3	Signed by the Governor, Chapter 70, Statutes of 2013.	8, 19, and 35
SB 100	Senate Committee on Budget and Finance	California Competes 3 of 3: Technical Changes	Signed by the Governor, Chapter 360, Statutes of 2013.	8, 19, and 35
SB 176	Galgiani	Outreach on Administrative Procedures	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	35 and 63

SB 209	Lieu	Qualified Small Business Stock Income Tax	Signed by the Governor, Chapter 543, Statutes of 2013.	35 and 63
SB 610	Jackson	Franchisee Contracts	Vetoed by the Governor, 2014.	35
SB 616	Roth	Airport Improvement Program: State Matching Funds	Died at the Senate Desk, 2014.	56
SB 628	Beall	Enhanced Infrastructure Financing Districts	Signed by the Governor, Chapter 785, Statutes of 2014.	56
SB 661	Hill	Made in America" Labeling	Died in the Senate Committee on Judiciary, 2014.	35 and 63
SB 752	Roth	Commercial and Industrial Common Interest Developments	Signed by the Governor, Chapter 605, Statutes of 2013.	8, 36, and 64

**Disabled Veteran Business Enterprises and Small Business
Procurement**

Bill Number	Author	Title	Status	Page
AB 172	Weber	State Contracting Microbusiness	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	38
AB 366	Holden	Women, Minority, and Disabled Veteran Business Enterprises	Died in the Assembly Committee on Appropriations, 2014.	32 and 38
AB 550	Brown	State Procurement Procedures for Small Businesses	Held on the Suspense File of the Assembly Committee on Appropriations, 2014.	38 and 61
AB 668	Gray	Economic Disaster Area Priority	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	12 and 38
AB 1098	Quirk-Silva	Small Business Regulation Report	Died in the Senate Committee on Rules, 2014	32
AB 1568	Grove	Quotes for Public Contracts	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	38

AB 1602	Patterson	Roadside Rest Stops: Utility Costs and Business Enterprises for the Blind	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	39
AB 1650	Jones-Sawyer	Prior Conviction History	Signed by the Governor, Chapter 880, Statutes of 2014.	39
AB 1678	Gordon	Women, Minority, Disabled Veteran, LGBT Businesses	Signed by the Governor, Chapter 633, Statutes of 2014.	39
AB 1734	Jones-Sawyer	Public contracts: Small Business Participation: Disabled Veterans	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	39
AB 1857	Frazier	Best Value Procurement	Signed by the Governor, Chapter 381, Statutes of 2014.	39
AB 1988	Chávez	North County Transit District: Flexible Procurement Process	Died in the Assembly Committee on Local Government, 2014.	39 and 62
AB 2022	Medina	Target Area Contract Preference Act	Signed by the Governor, Chapter 780, Statutes of 2014.	13 and 39
AB 2278	Weber	State Agency Contracts: Small Business	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	39

AB 2387	Pan	Peace Officer Training	Signed by the Governor, Chapter 504, Statutes of 2014.	40
AB 2447	Cooley	Public Contracts: Sacramento Regional Transit District	Died in the Assembly Committee on Local Government, 2014.	40
AB 2565	Muratsuchi	Rental Property: Electric Vehicle Charging Stations	Signed by the Governor, Chapter 529, Statutes of 2014.	19, 26, 40, and 55
AB 2593	Bradford	Diversity Reporting	Vetoed by the Governor, 2014.	26 and 40
AB 2675	Lowenthal	State Agency: Public Contracts	Signed by the Governor, Chapter 617, Statutes of 2014.	40 and 41
AB 2682	Wagner	Responsible Small Business and DVBE Contractors	Died in the Assembly Committee on Accountability and Administrative Review, 2014.	40
AB 2722	Ridley-Thomas	Los Angeles County Metropolitan Transportation Authority: Contracting	Died in the Assembly Committee on Local Government, 2014.	41
SB 297	Roth	Public Contracts and Disabled Veterans	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	41

SB 733	Block	Disabled Veteran Business Enterprise Participation Goals	Died in the Assembly Committee on Jobs, Economic Development and the Economy, 2014.	41
SB 839	Correa	Contracting with Veterans	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	41

International Trade

Bill Number	Author	Title	Status	Page
AB 14	Lowenthal	State Freight Plans	Signed by the Governor, Chapter 223, Statutes of 2013.	45 and 52
AB 53	John A. Pérez	California Economic Development Strategic Plan	Vetoed by the Governor, 2013.	4 and 45
AB 147	V. Manuel Pérez	I-Bank California-Mexico Border Assistance	Died in the Senate Committee on Rules, 2014	45
AB 311	V. Manuel Pérez	I-Bank California-Mexico Border Assistance	Died in the Assembly Committee on Appropriations	45 and 52
AB 337	Allen	Economic Development: International Trade and Investment Strategy	Signed by the Governor, Chapter 776, Statutes of 2014.	45 and 52
AB 412	Allen	California International Trade Study	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	45 and 53
AB 600	Bonta	Intermodal Marine Terminals: Truck Equipment Moves	Signed by the Governor, Chapter 139, Statutes of 2014.	45

AB 628	Gorell and Hall	Energy Management Plans for Harbors and Port Districts	Signed by the Governor, Chapter 741, Statutes of 2013.	24, 45, 46, and 53
AB 690	Campos and Medina	State Government: International Relations	Signed by the Governor, Chapter 716, Statutes of 2014.	46
AB 886	Allen and Ian Calderon	Importer-Exporter Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	46 and 53
AB 978	Blumenfield	Iran Financial Sanction Compliance	Signed by the Governor, Chapter 139, Statutes of 2013.	46
AB 1067	Medina	EB-5 Immigration Oversight	Signed by the Governor, Chapter 535, Statutes of 2013.	46 and 68
AB 1081	Medina	Governor's Five-Year Infrastructure plan: Goods Movement	Held on the Suspense in the Senate Committee on Appropriations, 2013.	46 and 54
AB 1088	Muratsuchi	GO-Biz Trade Office in Japan	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	46

AB 1166	Blumenfield	California Trade with Israel	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	46
AB 1400	Assembly Committee on Jobs, Economic Development, and the Economy	Export Document Certificates	Signed by the Governor, Chapter 539, Statutes of 2013.	18, 46, 61
AB 1422	Assembly Committee on Jobs, Economic Development and the Economy	California Alternative Energy and Advanced Transportation Financing Authority	Signed by the Governor, Chapter 540, Statutes of 2013.	6, 18, 46, 61
AB 2008	Quirk	Transit Village Plans: Goods Movement	Signed by the Governor, Chapter 88, Statutes of 2014.	47 and 55
AB 2395	Lowenthal	Oxnard Harbor District Debt Limit:	Signed by the Governor, Chapter 293, Statutes of 2014.	47
AB 2713	Quirk-Silva	California and South Korea Economic Relations	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	47
ACR 100	Alejo	Relations with El Salvador	Adopted by the Legislature, Resolution 172, Statutes of 2014.	47

AJR 4	Hueso and V. Manuel Pérez	United States-Mexico Border Infrastructure	Adopted by the Legislature, Resolution 24, Statutes of 2013.	47 and 56
AJR 12	Gatto	Foreign Minimum Wage	Adopted by the Legislature, Resolution 152, Statutes of 2013.	47
AJR 37	Muratsuchi	The Export-Import Bank of the United States	Adopted by the Legislature, Resolution 72, Statutes of 2014.	47
AJR 53	Rendon	National Freight Network Trust Fund Act of 2014	Adopted by the Legislature, Resolution 167, Statutes of 2014.	47
HR 44	Medina	Related to the 100 th Anniversary of the Panama Canal	Adopted, 2014.	48
SB 511	Lieu	California Export Finance Office	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	27 and 48
SB 592	Lieu	Trade Promotion of California Ports	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	56
SB 907	Monning	International Commercial Disputes	Held in Assembly Committee on Judiciary, 2014.	48
SB 925	Wright	Alameda Corridor	Died in the Senate Committee on Rules, 2014.	48

SB 928	Correa and Huff	International Trade and Investment Office	Vetoed by the Governor, 2014.	48
SB 1228	Hueso	Trade Corridors Improvement Fund	Signed by the Governor, Chapter 787, Statutes of 2014.	48 and 57
SCR 82	Hueso	Jalisco, Mexico: Sister State Relationship	Adopted by the Legislature, Resolution 70, Statutes of 2014.	48
SCR 103	De León	California and El Salvador Partnership	Adopted by the Legislature, Resolution 108, Statutes of 2014.	49
SCR 121	Block	Trade: Israel: Memorandum of Understanding	Adopted by the Legislature, Resolution 113, Statutes of 2014.	49
SJR 16	Emmerson	Transatlantic Trade and Investment Partnership	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	49
SR 20	Emmerson, Berryhill, DeSaulnier, Liu, Steinberg, Walters, and Wright	Transatlantic Trade and Investment Partnership	Approved, by the Senate, Statutes of 2013.	49

Infrastructure

Bill Number	Author	Title	Status	Page
AB 14	Lowenthal	State Freight Plans	Signed by the Governor, Chapter 223, Statutes of 2013.	45 and 52
AB 26	Bonilla	Greenhouse Gas Reduction Fund	Signed by the Governor, Chapter 864, Statutes of 2014.	23 and 52
AB 250	Holden and V. Manuel Pérez	Codification of California Innovation Hubs	Signed by the Governor, Chapter 530, Statutes of 2013.	5, 17, 31, 52, and 67
AB 311	V. Manuel Pérez	I-Bank California-Mexico Border Assistance	Died in the Assembly Committee on Appropriations	45 and 52
AB 337	Allen	Economic Development: International Trade and Investment Strategy	Signed by the Governor, Chapter 776, Statutes of 2014.	45 and 52
AB 412	Allen	California International Trade Study	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	45 and 53
AB 416	Gordon	Local Emission Reduction Program	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	23 and 53

AB 577	Nazarian	Rail Construction: County of Los Angeles	Signed by the Governor, Chapter 92, Statutes of 2014.	53
AB 628	Gorell and Hall	Energy Management Plans for Harbors and Port Districts	Signed by the Governor, Chapter 741, Statutes of 2013.	24, 45, 46, and 53
AB 701	John A. Pérez	I-Bank Board Membership	Signed by the Governor, Chapter 393, Statutes of 2013.	24 and 53
AB 737	Fox	Unmanned Aircraft Systems Test Sites	Died in the Senate Committee on Judiciary, 2014.	5 and 53
AB 886	Allen and Ian Calderon	Importer-Exporter Tax Credit	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	46 and 53
AB 930	Hall	Enterprise Zones: Energy Management Plans	Died in the Assembly Committee on Natural Resources, 2014.	6, 24, and 53
AB 1042	Hall	Indian Gaming Special Distribution Fund	Signed by the Governor, Chapter 746, Statutes of 2013.	6 and 53
AB 1079	Bradford	Energy Management Plans	Held on the Suspense File of the Senate Committee on Appropriations, 2013.	25 and 54

AB 1081	Medina	Governor's Five-Year Infrastructure plan: Goods Movement	Held on the Suspense in the Senate Committee on Appropriations, 2013.	46 and 54
AB 1272	Medina	Infrastructure Financing Consortiums	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	54
AB 1330	John A. Pérez	Environmental Justice Funding	Held in Senate Committee on Rules, 2014.	54
AB 1471	Rendon, Atkins, Gatto, Gomez, Perea, and Salas	Water Bond	Signed by the Governor, Chapter 188, Statutes of 2014.	54
AB 1501	Patterson	Federal Match for High-Speed Rail Funding	Died in the Assembly Committee on Transportation, 2014.	54
AB 1684	Grove	Cap-and-Trade Auction Revenues for High Speed Rail	Died in the Assembly Committee on Natural Resources, 2014.	54
AB 2008	Quirk	Transit Village Plans: Goods Movement	Signed by the Governor, Chapter 88, Statutes of 2014.	47 and 55
AB 2021	Gordon	San Mateo County Transit District	Died in the Senate Committee on Appropriations, 2014.	55

AB 2036	Mansoor	Toll Facilities Vote Thresholds	Died in the Assembly Committee on Transportation, 2014.	55
AB 2250	Daly	Toll Facility Revenues	Signed by the Governor, Chapter 500, Statutes of 2014.	55
AB 2290	John A. Pérez	California Infrastructure and Economic Development Bank	Died on the Senate Floor, 2014.	55
AB 2565	Muratsuchi	Rental Property: Electric Vehicle Charging Stations	Signed by the Governor, Chapter 529, Statutes of 2014.	19, 26, 40, and 55
AB 2574	Rodriguez	Metro Gold Line Foothill Extension Construction Authority	Died in the Assembly Committee on Transportation, 2014.	55
AB 2636	Gatto and Skinner	Water Efficiency Revolving Fund	Signed by the Governor, Chapter 825, Statutes of 2014.	55
AB 2650	Conway	High-Speed Rail Bonds	Died in the Assembly Committee on Transportation, 2014.	55
AB 2729	Medina	California Infrastructure and Development Bank	Died in the Assembly Committee on Jobs, Economic Development, and the Economy, 2014.	56

AB 2752	Assembly Committee on Transportation	Transportation Omnibus	Signed by the Governor, Chapter 345, Statutes of 2014.	56
AJR 4	Hueso and V. Manuel Pérez	United States-Mexico Border Infrastructure	Adopted by the Legislature, Resolution 24, Statutes of 2013.	47 and 56
SB 4	Pavley and Gray	Oil and Gas: Well Stimulation	Signed by the Governor, Chapter 313, Statutes of 2013.	26 and 56
SB 418	Jackson and Block	Nuclear Fission Powerplants	Died in the Assembly Committee on Utilities and Commerce, 2014.	27 and 56
SB 592	Lieu	Trade Promotion of California Ports	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	56
SB 616	Roth	Airport Improvement Program: State Matching Funds	Died at the Senate Desk, 2014.	56
SB 628	Beall	Enhanced Infrastructure Financing Districts	Signed by the Governor, Chapter 785, Statutes of 2014.	56
SB 798	De León	Green Infrastructure Bank	This bill was amended in the Senate related to a different subject matter. Signed by the Governor, Chapter 367, Statutes of	8, 28, 56, and 70

			2014.	
SB 861	Budget and Fiscal Review Committee	Reorganization of Water Infrastructure Finance	Signed by the Governor, Chapter 35, Statutes of 2014.	57
SB 901	Vidak	High-Speed Rail: Funding	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 902	Vidak	High-Speed Rail: Eminent Domain	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 903	Vidak	High-Speed Rail: Private Property: Owner Consent	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 904	Vidak	High-Speed Rail: Private Property: Owner Consent	Died in the Senate Committee on Transportation and Housing, 2014.	57
SB 1121	De Léon	Climate Technology and Infrastructure Financing Act	Died on the Assembly Inactive File, 2014.	28 and 57

SB 1228	Hueso	Trade Corridors Improvement Fund	Signed by the Governor, Chapter 787, Statutes of 2014.	48 and 57
SJR 15	Hancock	Postal Service Protection Act of 2013	Adopted by the Legislature, Resolution 122, Statutes of 2013	9 and 57

Regulatory Reform

Bill Number	Author	Title	Status	Page
AB 27	Medina	Vehicle Registration: Trailers: One-Trip Permits	Signed by the Governor, Chapter 301, Statutes 2014.	61
AB 393	Cooley	GO-Biz Website	Signed by the Governor, Chapter 124, Statutes of 2013.	5, 32, and 61
AB 550	Brown	State Procurement Procedures for Small Businesses	Held on the Suspense File of the Assembly Committee on Appropriations, 2014.	38 and 61
AB 1046	Gordon	Department of Transportation: Innovative Delivery Team Demonstration Program	Died in the Senate Committee on Appropriations, 2014.	61
AB 1098	Quirk-Silva	Small Business Regulation Report	Died in the Senate Committee on Rules, 2014	32
AB 1247	Medina and Bocanegra	Small Business Finance Center	Signed by the Governor, Chapter 537, Statutes of 2013.	6, 33, and 61
AB 1260	Medina	Definition of a California Family Owned Business	Vetoed by the Governor, 2014.	33 and 61
AB 1400	Assembly Committee on Jobs, Economic Development, and the Economy	Export Document Certificates	Signed by the Governor, Chapter 539, Statutes of 2013.	18, 46, 61

AB 1422	Assembly Committee on Jobs, Economic Development and the Economy	California Alternative Energy and Advanced Transportation Financing Authority	Signed by the Governor, Chapter 540, Statutes of 2013.	6, 18, 46, 61
AB 1612	Donnelly	Prohibit Fees for ADA Access	Vetoed by the Governor, 2014.	62
AB 1675	Ian Calderon	Entrepreneur-in-Residence Act of 2014	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	6 and 62
AB 1711	Cooley	Economic Impact Assessment	Signed by the Governor, Chapter 779, Statutes of 2014.	62
AB 1908	Bigelow	Farm Vehicles	Died in the Assembly Committee on Transportation, 2014.	62
AB 1988	Chávez	North County Transit District: Flexible Procurement Process	Died in the Assembly Committee on Local Government, 2014.	39 and 62
AB 2624	Medina	"Made in North America" Labeling	Died on the Senate Inactive File, 2014.	34 and 62
AB 2704	Allen	Lowest Cost Implementation	Died in the Assembly Committee on Natural Resources, 2014.	62

AB 2723	Medina	Small Business Regulatory Reform	Vetoed by the Governor, 2014.	34 and 63
SB 12	Corbett	"Made in California" Labeling	Signed by the Governor, Chapter 541, Statutes of 2013.	34 and 63
SB 176	Galgiani	Outreach on Administrative Procedures	Held on the Suspense File of the Assembly Committee on Appropriations, 2013.	35 and 63
SB 209	Lieu	Qualified Small Business Stock Income Tax	Signed by the Governor, Chapter 543, Statutes of 2013.	35 and 63
SB 661	Hill	Made in America" Labeling	Died in the Senate Committee on Judiciary, 2014.	35 and 63
SB 674	Corbett	California Environmental Quality Act: Residential Infill Exemption	Signed by the Governor, Chapter 549, Statutes of 2014.	63
SB 752	Roth	Commercial and Industrial Common Interest Developments	Signed by the Governor, Chapter 605, Statutes of 2013.	8, 36, and 64
SB 785	Wolk	Design-Build	Signed by the Governor, Chapter 931, Statutes of 2014.	64
SB 793	Lara	Air Pollution: Oceangoing Vessels	Held on the Suspense File in the Senate Committee on Appropriations, 2014.	64

SB 969	DeSaulnier	Public Works	Vetoed by the Governor, 2014.	64
SB 981	Huff	Review of Prior Regulations	Died in the Senate Committee on Governmental Organization, 2014.	64

Workforce Development

Bill Number	Author	Title	Status	Page
AB 86	Assembly Committee on Budget	Education Omnibus Trailer Bill: Career Pathways Trust	Signed by the Governor, Chapter 48, Statutes of 2013.	4 and 66
AB 181	Logue	Baccalaureate Pilot Project	Held in Assembly Committee on Higher Education, 2014.	66
AB 250	Holden and V. Manuel Pérez	Codification of California Innovation Hubs	Signed by the Governor, Chapter 530, Statutes of 2013.	5, 17, 31, 52, and 67
AB 285	Brown	Scope of Practice for the California Workforce Investment Board	Vetoed by the Governor, 2013.	31 and 67
AB 548	Salas	Extension of Associate Nursing Degree Program	Signed by the Governor, Chapter 203, Statutes of 2014.	67
AB 646	Cooley	P-16 Councils	Held on the Suspense File in Assembly Committee on Appropriations, 2014.	67
AB 653	V. Manuel Pérez	California Innovation and Jobs Act	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	5, 24, and 67
AB 914	Bradford	New Commission	Died in Senate Committee on Rules, 2014.	67

AB 977	Salas	Career Technical Education at Community Colleges	Held in Assembly Committee on Higher Education, 2014.	67
AB 1067	Medina	EB-5 Immigration Oversight	Signed by the Governor, Chapter 535, Statutes of 2013.	46 and 68
AB 1315	John A. Pérez	California Green Collar Jobs Act	Died at the Senate Desk, 2014.	25 and 68
AB 1451	Holden	Concurrent Enrollment	Held on the Suspense File in Senate Committee on Appropriations, 2014.	68
AB 1456	Holden	Pay It Forward Tuition	Died in Senate Committee on Rules, 2014.	68
AB 1569	Rodriguez	Tax Credits Apprentice	Held on the Suspense File in the Assembly Committee on Appropriations, 2014.	68
AB 1769	Dababneh	LLC Fee Exception	Died in the Assembly Committee on Revenue and Taxation, 2014.	33
AB 1837	Atkins	Social Innovation Financing to Address Recidivism	Signed by the Governor, Chapter 802, Statutes of 2014.	12 and 68
AB 1910	Gray	Workforce and Economic Development in the San Joaquin Valley	Vetoed by the Governor, 2014.	68

AB 1950	Campos	Career Education Incentive Program	Held on the Suspense File in Assembly Committee on Appropriations, 2014.	69
AB 2060	V. Manuel Pérez	Supervised Population Workforce Training Grant Program	Signed by the Governor, Chapter 383, Statutes of 2014.	13 and 69
ACR 118	Logue	California Tradesmen Day	Adopted by the Legislature, Resolution 174, Statutes of 2014.	69
ACR 119	Muratsuchi	Career technical Education Funding	Adopted by the Legislature, Resolution 156, Statutes of 2014.	69
AJR 13	Campos, Hueso, and Steinberg	Reopening of Job Corps Centers	Adopted by the Legislature, Resolution 49, Statutes of 2013.	69
HR 55	Ridley-Thomas	50 th Anniversary of Federal Economic Opportunity Act	Died in the Assembly Committee on Higher Education, 2014.	69
SB 73	Senate Budget and Fiscal Review Committee	Proposition 39 Budget Trailer Bill	Signed by the Governor, Chapter 357, Statutes of 2013.	7, 26, and 70
SB 105	Steinberg	Recidivism Reduction Fund	Signed by the Governor, Chapter 310, Statutes of 2013.	70

SB 118	Lieu	Education and Workforce Investment Systems	Signed by the Governor, Chapter 562, Statutes of 2013.	8 and 70
SB 593	Lieu	Social Impact Partnerships: Pilot Program	Vetoed by the Governor, 2014.	14 and 70
SB 798	De León	Green Infrastructure Bank	This bill was amended in the Senate related to a different subject matter. Signed by the Governor, Chapter 367, Statutes of 2014.	8, 28, 56, and 70
SB 837	Steinberg	Transitional Kindergarten	Held on the Suspense File of the Assembly Committee on Appropriations, 2014.	70
SJR 10	Lieu	Reauthorization of Workforce Investment Act of 1998	Adopted by the Legislature, Resolution 121, Statutes of 2013.	70

Glossary of Terms

Jobs, Economic Development, and the Economy

Abbreviations

BTH: Business Transportation and Housing Agency.

CalBIS: California Business Investment Services.

CalED: California Association for Local Economic Development.

Cal EMA: California Emergency Management Agency.

CALGOLD: California Government Online to Desktops.

CALWORKS: The California Work Opportunity and Responsibility to Kids Program.

CDFI: Community Development Financial Institution.

CEDP: California Economic Development Partnership.

CWIB: California Workforce Investment Board.

DGS: Department of General Services.

DOL: Department of Labor.

DVBE: Disabled Veterans Business Enterprise.

EDC: Economic Development Corporation.

EDD: Employment Development Department.

ETP: Employment Training Panel.

EZ: Enterprise Zone.

FDI: Foreign Direct Investment.

GDP: Gross Domestic Product.

G-TEDA: Geographically-Targeted Economic Development Area.

GO-BIZ: Governor's Office of Business and Economic Development.

GOED: Governor's Office of Economic Development.

HCD: Department of Housing and Community Development.

I-BANK: Infrastructure and Economic Development Bank.

IEEP: Inland Empire Economic Partnership.

IHUB: Innovation Hub Program.

IGPAC: Intergovernmental Policy Advisory Committee on Trade.

ITA: International Trade Administration.

JEDE: Jobs, Economic Development and the Economy Committee.

JTPA: Job Training Partnership Act.

LAMBRA: Local Agency Military Base Recovery Area.

LHC: Little Hoover Commission.

MASA: Military and Aerospace Support Act.

MEA: Manufacturing Enhancement Area.

MOU: Memorandum of Understanding.

MSA: Metropolitan Statistical Area.

NEI: National Export Initiative.

PACE: Property Assessed Clean Energy.

REAL: Regional Economic Association of Leaders Coalition.

ROI: Return on Investment.

SBA: Small Business Administration.

SBE: Small Business Enterprise.

SBLGP: Small Business Loan Guarantee Program.

SBDC: Small Business Development Center.

SPOC: State Point of Contact.

STEP: State Trade and Export Promotion Program.

TEA: Targeted Employment Area.

TPP: Trans-Pacific Partnership

TTA: Targeted Tax Area.

TTIP: Transatlantic Trade and Investment Partnership.

USTR: United States Trade Representative.

WIA: Workforce Investment Act.

WIB: Workforce Investment Board.

Definitions:

BUSINESS TRANSPORTATION AND HOUSING AGENCY (BTH): BTH oversees the activities of 14 departments consisting of more than 45,000 employees, a budget greater than \$18 billion, plus several economic development programs and commissions. Its operations address financial services, transportation, affordable housing, tourism, managed health care plans and public safety.

CALIFORNIA BUSINESS INVESTMENT SERVICES (CalBIS): Housed in the Governor's Office of Economic Development (GOED), CalBIS serves employers, corporate real estate executives, and site location consultants considering California for new business investment and expansion.

CALIFORNIA ASSOCIATION FOR LOCAL ECONOMIC DEVELOPMENT (CALED): CALED is a statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development.

CALIFORNIA EMERGENCY MANAGEMENT AGENCY (Cal EMA): Cal EMA merged the duties and powers of the former Governor's Office of Emergency Services with those of the Governor's office of Homeland Security.

CALIFORNIA GOVERNMENT ONLINE TO DESKTOPS (CalGOLD): The CalGOLD database is housed on the Governor's Office of Economic Development website and provides links and contact information that direct businesses to agencies that administer and issue business permits, licenses and registration requirements from all levels of government. The CalGOLD listings include descriptions of the requirements, the names, addresses, and telephone numbers of the agencies that administer those

requirements and issue the permits and licenses, and in most cases a direct link to the agencies' Internet web pages.

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS PROGRAM (CALWORKS): Provides temporary financial assistance and employment focused services to families with minor children who have income and property below state maximum limits for their family size. Most able-bodied aided parents are also required to participate in the CALWORKS GAIN employment services program.

CALIFORNIA WORKFORCE INVESTMENT BOARD (CWIB): The California Workforce Investment Board is responsible for assisting the Governor in performing duties and responsibilities required by the federal Workforce Investment Act of 1998. All members of the Board are appointed by the Governor and represent the many facets of workforce development – business, labor, public education, higher education, economic development, youth activities, employment and training, as well as the Legislature.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI): Nationwide, over 1000 CDFIs serve economically distressed communities by providing credit, capital and financial services that are often unavailable from mainstream financial institutions. CDFIs have loaned and invested in distressed communities. Their loans and investments have leveraged billions more dollars from the private sector for development activities in low wealth communities across the nation. California offers tax credits for investments in CDFI's under the Insurance Tax Law, as well as under the Personal and Corporate Income Tax Laws.

CALIFORNIA ECONOMIC DEVELOPMENT PARTNERSHIP (CEDP): The CEDP was formed by Governor Schwarzenegger in 2005 as an interagency team to coordinate state government economic development activities. It seeks seamless coordination between the state, regional/local economic development organizations, and public/private resources for the retention, expansion and attraction of jobs in California.

DEPARTMENT OF GENERAL SERVICES (DGS): The department employs over 4,000 employees and has a budget in excess of one billion dollars. Its functions include e-commerce and telecommunications; siting, acquisition, development, leasing, disposal and management of state properties; architectural approval of local schools and other state-responsibility buildings; printing services provided by the second largest government printing plant in the U.S.; procurement of supplies needed by other state agencies; and maintenance of the vast fleet of state vehicles. The director serves on several state boards and commissions.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD): HCD is one of many departments within BTH. As California's principal housing agency, the mission of HCD is to provide leadership, policies and programs to expand and preserve safe and affordable housing opportunities and promote strong communities for all Californians. HCD is responsible for oversight of California's G-TEDA programs.

DEPARTMENT OF LABOR (DOL): A U.S. government cabinet body responsible for standards in occupational safety, wages and number of hours worked, unemployment insurance benefits, re-employment services and a portion of the country's economic statistics.

DISABLED VETERAN BUSINESS ENTERPRISE (DVBE): Certified DVBE's that meet eligibility requirements are eligible to receive bid preferences on state contracts. DGS's Procurement Division certifies DVBEs and participates in the DVBE Council.

ECONOMIC DEVELOPMENT CORPORATION (EDC): Locally-based corporations whose mission is to promote investment and economic growth in their region.

ECONOMIC STRATEGY PANEL: The Economic Strategy Panel was established in 1993 to develop an overall economic vision and strategy to guide public policy. The Panel engages in an objective and collaborative biennial planning process that examines economic regions, industry clusters, and cross-regional economic issues. The California Regional Economies Project is currently the lead mechanism for these efforts.

EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD): EDD offers a wide variety of services under the Job Service, Unemployment Insurance, Disability Insurance, Workforce Investment, and Labor Market Information programs. As California's largest tax collection agency, EDD also handles the audit and collection of payroll taxes and maintains employment records for more than 16 million California workers.

EMPLOYMENT TRAINING PANEL (ETP): ETP is a California State agency that began in 1983 and is designed to fund training that meets the needs of employers for skilled workers and the need of workers for long-term jobs. The program funds the retraining of incumbent, frontline workers in companies challenged by out-of-state competition. ETP also funds training for unemployed workers, and prioritizes small businesses, and employers and workers in high unemployment areas of the State. ETP is funded by a tax on business.

ENTERPRISE ZONE (EZ): Geographically-based economic incentive areas in California that provide regulatory or tax benefits to businesses. There are 42 Enterprise Zones in California.

GROSS DOMESTIC PRODUCT (GDP): The monetary value of all the finished goods and services produced within a country's borders in a specific time period, usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

GEOGRAPHICALLY TARGETED ECONOMIC DEVELOPMENT AREA (G-TEDA): A generic term for all geographically-based economic incentive areas in California, including Targeted Tax Areas (TTAs), Local Agency Military Base Recovery

Areas (LAMBRAs), Enterprise Zones (EZs), and Manufacturing Enhancement Areas (MEAs).

GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

(GO-BIZ): GO-BIZ is a one-stop shop intended to help businesses to invest and expand in California.

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT (GOED): GOED is a one-stop shop intended to help businesses to invest and expand in California. It was established in 2010 by Executive Order S-05-10.

INNOVATION HUB PROGRAM (IHUB): The iHub Program improves the state's national and global competitiveness by stimulating partnerships, economic development, and job creation around specific research clusters through state-designated iHubs.

INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-BANK): The I-Bank is a state financing authority that provides low-cost financing to public agencies, manufacturing companies, nonprofit organizations and other entities eligible for tax-exempt financing. Since January 1, 1999, the I-Bank has financed more than \$32 billion in tax-exempt bonds and loans for economic development and public infrastructure projects throughout the state, and various other financings.

INLAND EMPIRE ECONOMIC PARTNERSHIP (IEEP): The mission of the IEEP is to help create a voice for the two-county region of Riverside and San Bernardino Counties. The membership, a collection of important organizations in the private and public sector, give the organization the knowledge and perspective needed to advocate and provide a vibrant business living environment in the region.

INTERNATIONAL TRADE ADMINISTRATION (ITA): The International Trade Administration strengthens the competitiveness of U.S. industry, promotes trade and investment, and ensures fair trade through the rigorous enforcement of our trade laws and agreements. ITA works to improve the global business environment and helps U.S. organizations compete at home and abroad.

INTERGOVERNMENTAL POLICY ADVISORY COMMITTEE ON TRADE

(IGPAC): A federal advisory committee that provides the United States Trade Representative advice on matters of international trade from the perspective of state and local governments. Current membership includes former State Senator/current Los Angeles City Councilmember Curren Price, and Carlos J. Valderrama of the Los Angeles Area Chamber of Commerce.

JOB TRAINING PARTNERSHIP ACT (JTPA): JTPA is a federal law that authorizes and funds a number of employment and training programs in California. JTPA's primary purpose is to establish programs to provide job training services for economically disadvantaged adults and youth, dislocated workers and others who face significant employment barriers. These programs help prepare individuals in California for participation in the state's workforce, increasing their employment and earnings potential,

improving their educational and occupational skills and reducing their dependency on welfare.

LITTLE HOOVER COMMISSION (LHC): The Little Hoover Commission is an independent state oversight agency that was created in 1962. The Commission's creation and membership, purpose and duties, and powers are enumerated in statute. By statute, the Commission is a balanced bipartisan board composed of five citizen members appointed by the Governor, four citizen members appointed by the Legislature, two Senators and two Assemblymembers.

LOCAL AGENCY MILITARY BASE RECOVERY AREA (LAMBRA): A LAMBRA is an area located in California that is designated as such by the Business, Transportation and Housing Agency. LAMBRAs are established to stimulate growth and development in areas that experience military base closures. Taxpayers investing, operating, or located within a LAMBRA may qualify for special tax incentives. There are currently eight LAMBRAs: Southern California Logistics Airport, Castle Airport, Mare Island, San Bernardino International Airport, Alameda Point, Mather/McClellan, San Diego Naval Training Center, and Tustin Legacy.

MANUFACTURING ENHANCEMENT AREA (MEA): Incentives available to businesses located in an MEA are streamlining local regulatory controls, reduced local permitting fees and eligibility to earn \$29,234 or more in state tax credits for each qualified employee hired. All manufacturing businesses that are engaged in those lines of business described in Codes 2011 to 3999, inclusive, of the Standard Industrial Classification (SIC) and are located in the MEA are eligible for program benefits. There are 2 MEAs located in California. They are in the Cities of Brawley and Calexico. Each community is located in Imperial County. An MEA designation lasts until December 31, 2012.

MICROBUSINESS: A small business which, together with affiliates, have annual gross receipts of less than \$3,500,000 or is a manufacturer with 25 or fewer employees.

METROPOLITAN STATISTICAL AREA (MSA): In the United States a metropolitan statistical area is a geographical region with a relatively high population density at its core and close economic ties throughout the area.

NATIONAL EXPORT INITIATIVE (NEI): In January 2010, the President launched the National Export Initiative with the goal of doubling U.S. exports over 5 years. The initiative is directed through a newly established Export Promotion Cabinet and an internal Trade Promotion Coordinating Committee which has been tasked to coordinate and align their export promotion activities including counseling, customer matchmaking services, and financing for exporters.

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS): The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity

across North America. The NAICS and SIC manuals provide code number for every industry. These codes are frequently used in legislation to identify industries, especially those benefiting from certain tax legislation like the Manufacturers Investment Credit (MIC).

PROPERTY ASSESSED CLEAN ENERGY (PACE): PACE Programs allow local government entities to offer sustainable energy project loans to eligible property owners. Through the creation of financing districts, property owners can finance renewable onsite generation installations and energy efficiency improvements through a voluntary assessment on their property tax bills.

SMALL BUSINESS ADMINISTRATION (SBA): Since its founding in 1976 the U.S. Small Business Administration has delivered about 20 million loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.

SMALL BUSINESS DEVELOPMENT CENTERS (SBDC): The SBDC Program is the leader in providing small business owners and entrepreneurs with the tools and guidance needed to become successful in today's challenging economic climate. Each regional center offers comprehensive business guidance on business issues including, but not limited to; business plan development, startup basics, financing, regulatory compliance, international trade, and manufacturing assistance. Funding for the program is provided, in part, by the U.S. Small Business Administration and local partners.

SMALL BUSINESS ENTERPRISE (SBE): A business with 100 or fewer employees, and an average annual gross receipts of \$14 million or less over the previous three tax years, or a manufacturer with 100 or fewer employees. SBE's are eligible to receive a 5% bid preference on state contracts.

SMALL BUSINESS LOAN GUARANTEE PROGRAM (SBLGP): The state Small Business Loan Guarantee Program (SBLGP) provides guarantees on bank loans to small businesses that would otherwise not be made. A network of 11 Small Business Financial Development Corporations - working closely with small business borrowers and local community banks - issues the guarantees on behalf of the state.

SPECIAL FUND FOR ECONOMIC UNCERTAINTIES: A fund in the General Fund (a similar reserve is included in each special fund) authorized to be established by statutes and Budget Act control sections to provide for emergency situations. (GC 16418)

STATE POINT OF CONTACT (SPOC): Funding applications submitted to the federal government will often require the applicant to comply with the state's SPOC requirements. The SPOC is responsible for reviewing specific types of grants for federal funds, loans, or financial assistance.

STATE TRADE AND EXPORT PROMOTION PROGRAM (STEP): The STEP Program is a 3-year pilot trade and export initiative authorized by the Small Business Jobs Act of 2010. Funded by federal grants and matching funds from the states, the

STEP Program is designed to help increase the number of small businesses that are exporting and to raise the value of exports for those small businesses that are currently exporting.

TARGETED EMPLOYMENT AREA (TEA): One of many options to voucher an employee, Targeted Employment Areas (TEA) allow residents of certain designated low-income areas to qualify Enterprise Zone employers for substantial hiring credits.

TARGETED TAX AREA (TTA): The TTA is a program very similar to Enterprise Zones. TTA offers incentives that are only available to companies located in Tulare County and are engaged in a trade or business within certain Standard Industrial Codes. State incentives include tax credits for sales and use taxes paid on certain machinery, machinery parts, and equipment; tax credits for hiring qualified employees; and a fifteen year net operating loss carry-forward.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP): A proposed trade agreement between the two largest economies in the world: the U.S. and the European Union. If realized, the TTIP will create a free trade zone that encompasses 46% of the world's GDP.

TRANS-PACIFIC PARTNERSHIP (TPP): A proposed free trade agreement that includes economies from within the Pacific region. Negotiations began in 2010, and currently include 12 countries: Australia, Brunei, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S., and Vietnam.

UNITED STATES TRADE REPRESENTATIVE (USTR): The USTR is an agency of more than 200 committed professionals with specialized experience in trade issues and regions of the world. The agency directly negotiates with foreign governments to create trade agreements, to resolve disputes, and to participate in global trade policy organizations.

WORKFORCE INVESTMENT ACT (WIA): The federal Workforce Investment Act (WIA), which superseded the Job Training Partnership Act, offers a comprehensive range of workforce development activities through statewide and local organizations. Available workforce development activities provided in local communities can benefit job seekers, laid off workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers. The purpose of these activities is to promote an increase in the employment, job retention, earnings, and occupational skills improvement by participants.

WORKFORCE INVESTMENT BOARD (WIB): The Governor has appointed a State Workforce Investment Board (WIB) consisting primarily of representatives from businesses, labor organizations, educational institutions, and community organizations. The State WIB assists the Governor in designing a statewide plan and establishing appropriate program policy.