



LOS ANGELES AREA
CHAMBER OF COMMERCE



ACCESS

Sacramento

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STRENGTHENING THE CALIFORNIA DREAM

California has added more than 1.6 million new jobs since the end of the recession, and we lead the nation in high tech, biotech, agriculture, entertainment, manufacturing and tourism. But, with an unemployment rate of more than 5 percent, and countless people working less hours than they wish, we still have a long way to go before our economy is fully recovered for all. In order to strengthen California's economic competitiveness and ensure continued job growth, it is essential to address our regulatory environment, which discourages economic growth and investment, our aging water, energy and transportation infrastructure, our inadequate health care delivery and housing, and our underperforming public education system.

The Los Angeles Area Chamber of Commerce stands ready to help State leaders rethink, re-envision and rebuild the institutions that made California great – our systems of public and private infrastructure, natural resource management, health care delivery and education finance.

We can strengthen the California dream by:

- ▶ Strengthening California's economic competitiveness
- ▶ Maintaining energy reliability and affordability
- ▶ Investing in our aging infrastructure
- ▶ Building a strong innovation economy
- ▶ Supporting business-friendly implementation of health care reform
- ▶ Supporting investments in transportation
- ▶ Providing adequate housing to reduce homelessness and create jobs
- ▶ Developing a world class cradle-to-career education system

48th California's ranking on the 2014 state business tax climate index

Tax Foundation's 2015 State Business Tax Climate Index report

 **25 million**

number of people in California that depend on Bay Delta water

Metropolitan Water District of Southern California

11th California's ranking among states when it comes to percentage of high-tech jobs.

California State Assembly Committee on Jobs, Economic Development and the Economy

 **2.3 million**

the number of additional college degrees and credentials needed to meet the workforce demands of 2025

California Competes

50th California's ranking among state's when it comes to business taxation and regulation

Chief Executive Magazine's 11th Annual Survey of Best & Worst States, May 2016

\$60,032 vs. \$8,219

What the State spends each year to incarcerate one prisoner, vs. what the State spends to educate a K-12 student



STRENGTHEN CALIFORNIA'S ECONOMIC COMPETITIVENESS

Invest in Job Growth

California needs to make strategic investments in core sectors of our economy to increase business creation, job generation and tax revenue. We appreciate that the Governor's May revised budget plan calls for an emphasis on growing jobs while maintaining fiscal restraint.

- ▶ **Support: SB 1465 (de Leon)** Allows the State to assist with cost overruns if L.A. wins the 2024 Summer Olympic and Paralympic Games. The bid, designed to be the most fiscally responsible and sustainable ever, would benefit not only the L.A. economy, but all of California.
- ▶ **Support: AB 2664 (Irwin)** Provides three years of funding to allow the University of California (UC) and Berkeley National Laboratory to expand their capacity and increase access to their innovation and entrepreneurship centers, which provide incubator space, legal services, entrepreneur training, and more resources for researchers and individuals looking to develop innovative solutions.
- ▶ **Support: SB 936 (Hertzberg)** Encourages the creation of small businesses by expanding their access to loans.

Provide Certainty for Job Creators

We should not undermine California's economic momentum with more mandates and policies that will discourage new jobs and increase costs for California businesses, placing them at a competitive disadvantage.

- ▶ **Support: SB 1228 (Runner)** Provides small businesses with the opportunity to comply with regulations, by requiring state agencies to provide specific assistance with newly adopted regulations and policies to reduce/eliminate penalties for those who have tried to comply in good faith.
- ▶ **Oppose: AB 1727 (Gonzalez)** Allows independent contractors in almost every industry to collaborate and set prices for their services, potentially raising prices for consumers and provoking costly litigation.
- ▶ **Oppose: AB 1357 (Bloom)** Seeks to utilize the revenue from a targeted tax on one industry to fund various health-related programs for the general public.
- ▶ **Oppose: SCA 5 (Hancock)** Undermines the protections of Proposition 13 by unfairly targeting commercial property owners and increasing their property taxes by assessing their property based upon current fair market value instead of acquired value.
- ▶ **Oppose: SB 878 (Leyva)** Eliminates worker flexibility and exposes employers to costly penalties, litigation, and government enforcement, by mandating employers in the retail, grocery, or restaurant workplace, to provide a 21-day work schedule and then face penalties and litigation if the employer changes the schedule with less than seven days' notice, even when the change is at the request of the employee.

MAINTAIN ENERGY RELIABILITY AND AFFORDABILITY

Reliable and affordable energy is critical to maintaining California's economic competitiveness. The Chamber supports policies that maximize domestic energy supplies and job growth, minimize energy costs for families and businesses, while reducing emissions in the most cost-effective manner possible. Legislation includes:

- ▶ **Oppose: SB 1387 (de Leon)** Relinquishes local oversight of an air pollution control or air quality management district board, requiring the board to submit district plans and revisions to the ARB for approval and compliance, while expanding the size of the SCAQMD Governing Board, from 13 to 16 with the additional members appointed by legislative leadership, not local authorities.
- ▶ **Support: AB 2709 (Quirk)** Creates a statewide ban of metallic (mylar) balloons. There have been over 6,500 power outages in California caused by the electrically conductive material. The material caught in power lines has also caused hazardous fires, resulting in expensive repairs.
- ▶ **Support: AB 2415 (Garcia)** Revises the Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (Clean Truck Program) to require the greater of 50 percent or \$100 million, of the funds allocated each year from 2018 to 2023 for development of a broad range of medium- and heavy-duty truck technology, to be allocated instead to support commercial deployment of existing heavy-duty truck technology that meets specified low oxides of nitrogen (low NOx) emission standards.

Oppose Costly New Mandates

- ▶ **Oppose: SB 1441 (Leno and Pavley)** Requires the Air Resources Board (ARB) to adopt regulations to achieve a reduction of methane emissions of 40 percent below 2012 levels by 2025 for emissions associated with natural gas used in the State, including imports.
- ▶ **Oppose: SB 1383 (Lara)** Requires the ARB to approve and implement the comprehensive strategy to achieve, from 2013 levels, a 40 percent reduction in methane, a 40 percent reduction in hydrofluorocarbon gases, and a 50 percent reduction in anthropogenic black carbon, by 2030.
- ▶ **Oppose: AB 2868 (Gatto)** Requires the Public Utilities Commission (PUC), in consultation with the ARB and the California Energy Commission (CEC), to direct electrical corporations to file applications for programs and investments for deployment of distributed energy storage systems, imposing new storage mandates.
- ▶ **Oppose: SB 1049 (Hill)** Diminishes attorney-client privilege by requiring electrical or gas corporations to allow the California PUC access to privileged documents.



INVEST IN OUR AGING WATER INFRASTRUCTURE

Accelerate California's Drought Response

Despite recent rain, California continues to experience the effects of an unprecedented drought. Compounding these historic conditions are our aging local and state water supply systems in dire need of repair and modernization. It is critical that policymakers work to secure reliable water supplies.

- ▶ **Improve:** Enhance drought response and water supply reliability actions by accelerating the appropriation of state funding for groundwater cleanup, surface and groundwater storage, conservation, recycled water projects and other local resources.
- ▶ **Support:** Implement the Governor's Water Action Plan to enhance California's water supply reliability through improvements to the Sacramento-San Joaquin Bay Delta and investments in integrated water management activities and critical infrastructure, including local resources and the State Water Project.

Support California Water Fix

The Governor's plan to fix California's deteriorating and outdated water distribution system is essential. Its implementation would bring Californians one step closer to a more reliable water supply. This plan is California's only viable option to improve dated water infrastructure and protect our water supply.

- ▶ **Oppose: AB 1713 (Eggman)** Delays construction of much needed water conveyance improvements putting business and citizens in danger of severe water shortages.
- ▶ **Support: AB 2488 (Dababneh)** Allows the Metropolitan Water District of Southern California to perform important maintenance and repairs on its Foothill Feeder, an essential water supply line for Southern California.
- ▶ **Support: AB 1755 (Dodd)** Requires the Department of Water Resources to establish a statewide integrated water data platform to improve state agency operations through data-driven decision making and improved transparency and accountability.

BUILD A STRONG INNOVATION ECONOMY

The Chamber is committed to ensuring California's technology ecosystem – including universities and community colleges, the Hollywood fueled digital media sector and talented entrepreneurs – creates new jobs for a new generation of Californians. We encourage the State to make investments in open data to spur entrepreneurial behavior, encourage agencies to allow more demonstration projects by innovation companies, protect information privacy and cybersecurity while supporting the growth of the Internet of Things, and create incentives for technology companies and the shared economy to grow.

- ▶ **Support: AB 2900 (E. Garcia)** Establishes reporting requirements for state contracts with federal small business technical assistance centers like the Bixel Exchange. This would include information on the number and types of businesses served. The measure ensures consistent reporting across agencies and greater transparency as to which areas of the state are being provided services.
- ▶ **Support: AB 1841 (Irwin)** Requires the Office of Emergency Services, in conjunction with the Department of Technology, to transmit to the Legislature a cybersecurity incident response plan, known as the Cyber Security Annex to the State Emergency Plan.
- ▶ **Support: AB 2296 (Low)** Would express the intent of the Legislature to clarify that a digital signature may be used to satisfy the requirements of an electronic signature under the Uniform Electronic Transactions Act.



SUPPORT BUSINESS-FRIENDLY IMPLEMENTATION OF HEALTH CARE REFORM

To ensure California remains the national leader on health care reform implementation, we must maintain a positive business environment for providers and increase access to quality care. In order to realize the desired job creation, economic growth, and improved public health from Affordable Care Act implementation, this delegation supports policies that maintain network adequacy and stabilize rates.

Improving Access and Ensuring Network Adequacy for Beneficiaries

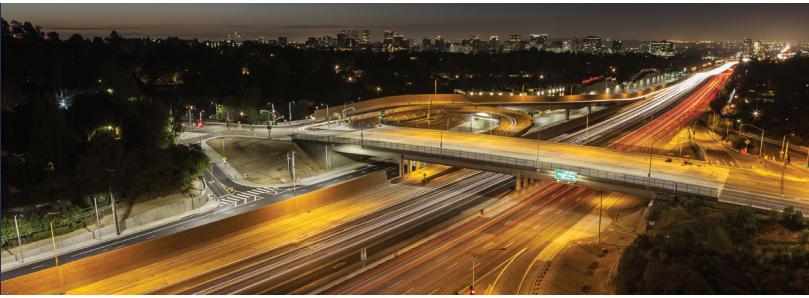
- ▶ **Support: AB 1863 (Wood)** that improves access to behavioral health services by making marriage and family therapists billable providers at federally qualified health centers (FQHCs) and rural health centers.
- ▶ **Support: AB 2048 (Gray)** addresses California's primary care provider shortage by appropriating funding for the State Loan Repayment Program (SLRP).
- ▶ **Support: AB 2216 (Bonta)** makes improvements to the Teaching Health Center Graduate Medical Education program to better enable FQHCs to participate in the program.
- ▶ **Support: AB 2589 (Gomez)** makes improvements to the dual enrollment systems for the California Women, Infants, and Children (WIC) program and Medi-Cal, and requires the state to work with stakeholders to develop measures and outcomes for breastfeeding rates.
- ▶ **Support: SB 1335 (Mitchell)** that improves access to behavioral health services by eliminating a barrier preventing community health centers from participating in the Drug Medi-Cal and specialty mental health programs.

Advancing Opportunities to Increase Savings and Control Health Care Costs

- ▶ **Support:** Extension of the Hospital Quality Assurance Fee (QAF), which is estimated to provide approximately \$800 million in annual savings to the state's General Fund, with a portion of the fee revenue offsetting costs associated with providing children's health care coverage.
- ▶ **Support: SB 1010 (Hernandez)** that requires health plans and health insurers that report information on premium rates to their regulator to also include specified information relating to prescription drug spending. The bill would require drug manufacturers to report to state purchasers of health care services when drug prices are going to increase by more than 10 percent or when new drugs costing more than \$10,000 per course of treatment are going to be introduced to the market.

Creating Certainty for Federally Qualified Health Centers and Non-Profit Hospitals

- ▶ **Support: AB 1300 (Ridley-Thomas)** that requires when a person has been involuntarily detained and taken to an emergency department of a non-designated hospital, trained emergency room physicians have the authority to write and release individuals from a 72-hour involuntary hold, and that the non-designated hospital notify the county in which the non-designated hospital is located of the person's detention.
- ▶ **Support: AB 2053 (Gonzalez)** allows health centers to expand to new facilities within 15 miles without requiring the new facility to be individually licensed.
- ▶ **Oppose: AB 2467 (Gomez)** requires certain hospitals and health systems to report annual compensation exceeding \$250,000 per year.



SUPPORT INVESTMENTS IN TRANSPORTATION

Invest in transportation funding solutions

A special session on transportation funding called last July has done little to address funding for California's transportation infrastructure. This delegation supports both the Governor's plan and proposed legislation to address the problem.

- ▶ **Support: AB 1591 (Frazier) & Support: SBX1-1 (Beall)** to increase transportation funding.
- ▶ **Support: SCA 7 (Huff)** Prohibits the Legislature from borrowing revenues from fees and taxes imposed by the state on vehicles, and from using those revenues other than as specifically permitted.
- ▶ **Support:** Funding for enhanced commuter rail safety, especially for Positive Train Control systems, grade separations, and double-tracking single track portions of Metrolink's service area.

Empower local municipalities

This delegation supports policies that empower local governments to identify and deliver the projects that best improve mobility in their region.

- ▶ **Oppose: SB 1472 (Mendoza)** Restructures the L.A. County Metro governing Board of Directors from 14 to 16 members, with the two additional appointed by legislative leadership, not local authorities.
- ▶ **Oppose:** The Office of Planning and Research's (OPR) 743 Guidelines - As drafted, the guidelines approach to Vehicle Miles Traveled (VMT) goes significantly beyond the statutory direction of SB 743 and could stall up to 50 percent of the projects in the Southern California Association of Government (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), potentially more than 2000 projects totaling nearly \$200B over the life of the plan.
- ▶ **Support: AB 2170 (Frazier)** Sponsored by SCAG, this would allow for the use of successful, existing Trade Corridor Improvement Fund architecture to allocate freight funds from the federal Fixing America's Surface Transportation (FAST) Act to develop state projects as quickly as possible.
- ▶ **Oppose: AB 1908 (Harper)** Would prohibit an HOV lane from being established on a state highway in southern California, unless that lane is designated an HOV lane only during the hours of heavy commuter traffic, as determined by the Department of Transportation. Also requires any existing HOV lane in Southern California to be modified to conform to those requirements.
- ▶ **Support: AB 2731 (O'Donnell)** Sets uniformity and levels the playing field by prescribing the manner in which trucks are to be weighed in a designated heavy container corridor near the Ports of Long Beach and L.A.
- ▶ **Support: AB 2055 (Gipson)** Requires 25 percent of the California Competes Tax Credit be allocated toward qualified sustainable freight investments.



PROVIDE ADEQUATE HOUSING TO REDUCE HOMELESSNESS

The Chamber is a partner with the United Way of Greater Los Angeles in implementing Home for Good, a public-private initiative to end chronic and veteran homelessness in L.A. County. The collective efforts of over 100 local stakeholders have resulted in more than 27,000 chronically homeless Angelenos and veterans being permanently housed and more than a 50 percent reduction in veteran homelessness. The Chamber supports policies, which provide cost-effective opportunities for reductions in the population of chronically homeless and veterans, while creating jobs for the housing sector.

Support Budget items to invest in homelessness

Support two billion in budget proposals and trailer language proposed by the Governor to give local governments resources and flexibility to better serve homeless individuals and families, increase access to affordable housing, address the effects of income inequality and extend proven programs for homeless who are either disabled or in need of mental-health assistance.

- ▶ **Senate Package- No Place Like Home (de Leon):** The Senate legislative package on homelessness re-purposes Proposition 63 (2004) – The Mental Health Services Act – bond money and creatively leverages billions of additional dollars from other local, state, and federal funding. It includes:
 - \$2 billion bond to construct permanent, supportive housing for homeless persons with mental illness;
 - \$200 million for immediate, short term needs, such as rent subsidies; and
 - Support for two housing programs that will assist families: \$10 million for "Bringing Families Home" pilot project.
- ▶ **Assembly Package- Provisions Related to Homelessness (Chiu & Thurmond):** More than \$650 million to fund the development of affordable housing. It includes:
 - The Multifamily Housing Program;
 - Medi-Cal Housing Program; and
 - A State Emergency Solutions Grant Program, which would fund rapid re-housing for individuals and families who do not need supportive housing and could exit homelessness with a shorter-term intervention.
- ▶ **Support: AB 2821 (Chiu)** Creates a Medi-Cal Housing Program that would allow thousands of Californians to exit the cycle of homelessness (and this "circuit") by linking Medi-Cal services with housing.
- ▶ **Support: SB 1069 (Wieckowski)** Creates and expedites additional housing supply by streamlining the permitting process for Accessory Dwelling Units.

Support California Environmental Quality Act (CEQA) Reform

Another barrier adequately addressing the housing supply shortage is the abuse of CEQA to block or stall projects unrelated to environmental factors. The Legislature must seek solutions that address the abuse of CEQA in impeding development while still offering the environmental protections in the spirit in which it was originally crafted.



DEVELOP A WORLD CLASS CRADLE-TO-CAREER EDUCATION SYSTEM

The L.A. business community is a strong supporter of improved alignment and articulation of the full education pipeline from early childhood to K-12, to post-secondary, and the workforce. This cradle to career approach will ensure the development of a 21st century workforce capable of competing in a global economy. Continued investments in innovative education approaches, coupled with the opportunities to effectively implement key federal legislation, such as Workforce Innovation and Opportunity Act (WIOA), Every Student Succeeds Act (ESSA) and Child Care and Development Block Grant (CCDBG), are necessary to pave the way to ensure student success. The Chamber strongly supports the emerging "California Way," which builds on a collaborative pathway towards the creation of a better system for our students.

Early Learning Investments in Quality and Access

The business community applauds State leaders for supporting investments and expansion of quality programs for children 0-8. While California has made progress in recent years, more than 33,000 eligible four-year olds are still unserved in high-quality Pre-K. The Chamber strongly encourages that Leadership support sufficient reimbursement rates and increased access to high-quality programs serving children from birth to five-years old and build capacity for educators and establish continuous improvement systems.

- ▶ **Support: AB 2150 (Santiago & Weber)** Establishes 12-month child care assistance and a graduated phase-out that allows for tapered assistance to families whose income has increased at the time of re-determination, but still does not exceed the federal income limit of 85 percent of State Median Income (SMI).
- ▶ **Support: AB 2660 (McCarty)** Establishes the Quality Early Education and Development Act of 2016, and requires the California Department of Education (CDE) to submit a multi-year plan for providing access to high quality prekindergarten programs to the Legislature and the department of Finance.
- ▶ **Support: Funding to establish a Child Care Bridge Program for Foster Children** The proposed program would provide: 1) an emergency child care voucher for up to six months for foster children and children of parenting foster youth ages 0 through three-years old; 2) enhanced support via child care navigators for foster families seeking care; and 3) additional professional development in trauma-informed care for child care providers. The voucher would serve as a bridge, transitioning families to long-term, high quality early education programs.

Support K-12 Meaningful Learning and New Accountability and Continuous Improvement System

The Chamber is committed to supporting efforts that prepare all students for college, career, and life in the 21st century. The Chamber supports more meaningful learning, which includes acquisition of knowledge, language, lifelong learning skills, and dispositions that students need to succeed in today's world. We support the Linked Learning and Deeper Learning approach for K-16 education and a focus on STEM (science, technology, engineering and mathematics) and the arts.

- ▶ **Support: SB 871 (Liu/de Leon)** Requires the California Collaborative for Educational Excellence to establish a statewide infrastructure to provide professional development training to local educational agencies to successfully implement forthcoming local control funding formula evaluation rubrics to be adopted by the State Board of Education.
- ▶ **Support: SB 62 (Pavley)** Reinstates and improves the Assumption Program of Loans for Education (APLE) to addresses California's current teaching needs.
- ▶ **Support: SB 915 (Liu)** Reestablishes the California Center on Teaching Careers (Center) to recruit individuals into the teaching profession.
- ▶ **Support: SB 933 (Allen)** The California Teacher Corps Act of 2016, creates teacher residency programs, whereby reestablishing the California Center on Careers (Center) to recruit individuals into the teaching profession.
- ▶ **Support: AB 2222 (Holden)** Continuously appropriates \$50 million per year from the Greenhouse Gas Reduction Fund for a program administered by Caltrans to provide free or reduced cost public transit passes to students.
- ▶ **Support: AB 2329 (Bonilla)** Requires the CA Dept of Education to establish a computer science strategic implementation board.
- ▶ **Support: SB 1050 (De Leon)** Establishes the K-12 College Readiness Block Grant to provide one-time funding to districts to prepare high school students for admission to college, particularly for students most in need.



Higher Education & Workforce Development Systems Coordination and Competitiveness

The Chamber supports policies to improve post-secondary student access and success, improve public, higher education system effectiveness and efficiencies, expand access and eligibility for financial aid, and enact workforce development strategies that better-prepare all workers to compete in the global economy. Additionally, the Chamber supports policies that encourage innovation in higher education, clear and transparent accountability systems that provide access to student success data, and the development of comprehensive P-16 career pathways that create a systemic approach to meeting the needs of high-demand industry sectors. The Chamber is particularly focused on improving postsecondary and employment outcomes for California's most vulnerable students, such as boys and men of color, undocumented students, and transition-age foster youth.

- ▶ **Support: SB 66 (Leyva)** Aligns performance accountability outcome measures for the California Community Colleges (CCC) Economic and Workforce Development program with the outcome measures for the federal Workforce Innovation and Opportunity Act (WIOA), and authorizes the Department of Consumer Affairs to make specified licensure information available to the CCC Chancellor's Office for purposes of evaluating outcomes for students who participate in career technical education programs.
- ▶ **Support: AB 1721 (Medina)** Makes several expansions to the Cal Grant program, including raising the amount of the Cal Grant B Access Award, raising the qualifying age for the Transfer Entitlement Award, and increasing the number of Competitive Awards.
- ▶ **Support: AB 1892 (Medina)** Establishes, in lieu of the existing Cal Grant C Program, separate Cal Grant C Entitlement and Competitive Award programs to provide need-based financial aid to students enrolled in occupational or technical training programs between four months and two years in length.
- ▶ **Support: AB 2822 (Chiu)** Authorizes the use of the California Community Colleges Student Success and Support Program (SSSP) funds for the provision of emergency student financial assistance.
- ▶ **Support: AB 2506 (Thurmond)** Expands foster youth's access to financial aid by making the Chafee Educational and Training Voucher an entitlement for eligible current and former foster youth and restricts the use of Chafee funds at schools meeting certain graduation and loan default criteria.
- ▶ **Support: SB 906 (Beall)** Eliminates a sunset clause for priority registration at California's public community colleges and universities to ensure that foster youth, as well as students participating in campus programs for low-income and disabled students, continue to have priority access to registration.

- ▶ **Support:** The \$200 million proposed budget allocation for the Strong Workforce Program enabling community colleges to expand access to career technical education and to implement a regional structure aligned with the CCC Board of Governor's Task Force on Workforce, Job Creation, and a Strong Economy's recommendations.
- ▶ **Support:** The \$25 million proposed budget allocation for the Awards for Innovation in Higher Education to recognize institutions experimenting with ways to improve student success.
- ▶ **Repeal:** The pending 11.3 percent cut to Cal Grant awards for incoming students of private, nonprofit colleges and universities slated to begin in 2017-2018.

Smart Justice Reforms

The Chamber supports policies that help dismantle the school to prison pipeline by advancing evidence-based models as intervention solutions for youth offenders instead of incarceration and recognizing the profound connection of crime to poverty, education, employment and mental health. Additionally, the Chamber supports policies that advance in-custody education and job readiness services and connect formerly incarcerated individuals in educational systems and/or the workforce.

- ▶ **Support: AB 2765 (Weber)** Extends the deadline for Proposition 47 record relief by five years, from its current sunset of November 2017 to November 2022.
- ▶ **Support: AB 2390 (Brown)** Restores the honorable discharge program by specifically authorizing local courts to extend honorable discharge to youth.



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