



ACCESS Sacramento

May 22-23, 2012

MOVE CALIFORNIA FORWARD

Immediate actions to improve the statewide business climate and move California forward



The course of California's future is being set right now in Sacramento; those actions will determine the rate of business growth, the number of new jobs created and the strength of our education system. Every day, businesses are being stymied by anti-competitive business regulations, residents are losing faith in the State's ability to deliver essential services and California remains in dire need of a long-term strategy for budget stability.

The Los Angeles Area Chamber of Commerce advocates for the following priorities, which our members believe are absolutely essential. The Chamber looks forward to working with lawmakers in order to move these priorities forward and make California work again.

ENACT BUDGET & REGULATORY REFORMS FOR LONG-TERM FISCAL STABILITY

IMPROVE CALIFORNIA'S CEQA LAW

The California Environmental Quality Act (CEQA) was originally intended to protect the environment and ensure smarter development. While CEQA has resulted in many positive gains, the law has increasingly been abused to delay projects for reasons wholly unrelated to environmental protection. With California's high unemployment rate and urgent need to create jobs and relieve strained government budgets, we have an excellent opportunity to make CEQA work again.

- ▶ Eliminate duplicative environmental reviews and encourage the use of other environmental analyses
- ▶ Enforce time limits to avoid delays and reduce impediments to administrative decision-making and litigation
- ▶ Reduce burdens of CEQA litigation on public agencies without impacting environmental benefits

ENACT MEANINGFUL PENSION REFORM

The growing liability of our current public employee pension system is out of control and cannot be sustained. Gov. Jerry Brown's plan is a blueprint for addressing billions in unfunded state pension obligations and moving our State forward toward full economic recovery. The Chamber supports Gov. Brown's 12-point reform plan and the accompanying legislation to enact it.

Reforms include:

- ▶ Equal sharing of pension costs between employees and employers.
- ▶ "Hybrid" pension model – mix of lower-level defined benefit and 401(k) style plans.
- ▶ Raise the retirement age and index to Social Security
- ▶ Proposals to stop practice of spiking.
- ▶ **Support Constitutional Amendment 18 (Huff), SB 1176 (Huff), Assembly Constitutional Amendment 22 (Smyth) and AB 2224 (Smyth).**

IMPLEMENT EFFECTIVE BUDGET REFORM

The Chamber supports the reforms outlined in the Government Performance & Accountability Act proposed for the November ballot. Provisions include performance-based budgeting, legislative transparency and oversight, pay-as-you-go, and multi-year budgets with greater accountability. These components are critical to restoring fiscal responsibility and public confidence in state government.

RESPONSIBLE IMPLEMENTATION OF REGULATIONS

The Legislature must act upon the valid concerns that job creators throughout California have about upcoming energy and environmental legislation to ensure fair and balanced implementation. Quick implementation without adjusting for the deep recession can significantly hurt struggling businesses and working families in California.

- ▶ **Support AB 1095 (Berryhill)** to create a hearing board to resolve disagreements between businesses and the California Air Resources Board (CARB). Existing law



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- ▶ establishes hearing boards for air pollution and control districts, and businesses should have the same avenue at the state level as CARB continues to implement AB32.
- ▶ **Support SB 1099 (Wright)** to establish two annual dates for the implementation of new regulations. This measure would provide certainty to California's businesses by allowing them to predict and prepare for new operating rules mandated by government. It will alleviate the pressure of regulations being enacted at different times and will lead to better compliance.
- ▶ Support investment in diverse energy supplies by expanding renewable incentives beyond wind and solar to include pipeline injected biogas. Biogas/biomethane has the potential for substantial benefits in both the electric and transportation sectors, yet its potential in California is largely untapped.

PROVIDE TOOLS FOR LOCAL INVESTMENT & ECONOMIC GROWTH

California must be fully equipped with creative solutions that attract investment in local infrastructure and regional economies. Initiatives that create jobs while developing the next generation of transportation infrastructure and fostering economic drivers will give Los Angeles and the State a 21st century competitive edge.

- ▶ **Support AB 1446 (Feuer)** to give Metro the authority to ask voters to extend Measure R, 2008's half-cent sales tax to fund local transit projects. By bonding against future proceeds, Metro can expedite the 30-year project schedule, creating jobs, reducing traffic and improving air quality.
- ▶ **Support AB 2656 (Calderon)** to help California meet the challenge of the impending opening of the Panama Canal by providing state income tax credits for exporters and importers to boost exports. International trade is one of the most important economic and job creation drivers of the state and a key to economic recovery.
- ▶ **Support the allocation of Prop 1A** funds to the High Speed Rail project, which will go towards the early investment program, including projects such as the Regional Connector. Connectivity and utility are created by investing in Los Angeles area improvements concurrent with the Central Valley.
- ▶ **Support AB 2026 (Fuentes)** and **SB 1167 (Calderon)** to extend the film tax credit for five years until July 1, 2020. As other states become increasingly savvy at attracting filming, this bill will strengthen one of our State's signature industries.
- ▶ **Support SB 214 (Wolk)** to allow cities and counties to borrow money through infrastructure financing districts to pay for public works projects.

STREAMLINE AND SIMPLIFY BUREAUCRACY TO INCREASE EFFECTIVENESS

- ▶ **Support AB 1549 (Gatto)** to simplify the permitting process for businesses, which currently have to deal with multiple bureaucracies, by requiring state and local governments to provide a comprehensive list of required permits at the outset of a project and one point of contact for multiple permits.
- ▶ **Support SB 1185 (Price)** to address the transferring of illegal goods by creating a Centralized Intelligence Partnership to facilitate consumer complaints, perform research that will assist in the recapturing of unreported taxes, aid in exposing employers who exploit workers and assist in efforts to investigate and prosecute violations.
- ▶ **Support SB 1161 (Padilla)** to promote development and deployment of new technologies and encourage universal availability of wide choice state-of-the-art services.

SUPPORT BUSINESS-FRIENDLY HEALTH CARE SYSTEM

PRIORITIZE HEALTH CARE REDUCTIONS

Maintain funding for our most vulnerable populations: children and seniors. This includes the Community Based Adult Services program and Healthy Families. Support programs that draw matching federal dollars to prevent a double-hit to vital programs.

- ▶ Oppose State cuts to safety net hospitals.
- ▶ Oppose the reduction of hospital stabilization funds amounting to a reduction of \$86 million (\$43 million General Fund) to certain Disproportionate Share Hospitals.

HEALTH WORKFORCE PIPELINE

Support legislation which calls for state-level collaboration of business and education stakeholders as a first step towards developing workable solutions to the critical shortage of health care professionals. Additionally, oppose efforts which would unreasonably and substantially increase hospital worker's compensation costs.

- ▶ **Support SB 694 (Padilla)**, a study that looks to explore children's oral health access.
- ▶ Support legislation that promotes innovative training through consortium models.

855,200

jobs lost in California in the last four years – more than any other state.

The Business Journals On Number analysis of U.S. Bureau of Labor Statistics data

\$1 → \$4.50

For every \$1 the State invests in higher education, it receives a net return of \$4.50.

The Campaign for College Opportunity, April 2012

LAST

California's rank
in a national
survey of the best
places to do business.

Chief Executive Magazine's
Annual Survey of the Best
Places to Do Business, April 2012

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OPPOSE TRANSFER OF HEALTHY FAMILIES PROGRAM TO MEDI-CAL

The administration should delay their proposal to immediately transfer all 900,000 children currently enrolled in the Healthy Families Program to Medi-Cal. The proposal will result in continuity of care disruptions for nearly 400,000 children without any certainty that the State will save money. Support the Legislative Analyst's Office recommendation to transfer only children at or below 133 percent of the federal poverty level to Medi-Cal while conducting further study on how best to transition the remaining children.

STRENGTHEN CALIFORNIA'S EDUCATION SYSTEM

INVEST IN EARLY CHILDHOOD EDUCATION

Support continued investment in early childhood education and the creation of a comprehensive preschool through post-secondary education system that will help close the achievement gap, support third grade reading proficiency and support the Quality Rating and Improvement System. Additionally, emphasize quality educational opportunities for low-income children to keep parents working and children learning.

- ▶ Support implementation of transitional kindergarten.
- ▶ Oppose administrative restructuring of California's early education department.

SUPPORT EDUCATION DURING ECONOMIC UNCERTAINTY

Minimize cuts to K-12 funding while implementing system changes to protect and ensure quality public education during fiscal crisis, including finance reform, educator quality and school improvement.

- ▶ Support the development of a deliberate and thoughtful process to achieve a weighted student formula system.
- ▶ Support and implement the recommendations of State Superintendent of Public Instruction Tom Torlakson's Educator Excellence Taskforce to strengthen California's teacher corps.
- ▶ Support a prudent, measured application for an Elementary and Secondary Act Waiver that reflects the needs and interests of California's students.

PROMOTE LINKED LEARNING SECONDARY REFORM

Expand access to Linked Learning practices that engage students and provide high quality learning experiences by bringing together strong academics, demanding technical education and real world experience to develop a more trained 21st century workforce.

- ▶ **Implement AB 790 (Furutani)**—the Linked Learning Pilot bill signed into law in 2011—and **support SB 1070 (Steinberg)** which would support this implementation.

DEVELOP STRONG CURRICULUM, ASSESSMENTS AND STANDARDS

It is crucial that we lay the groundwork for a strong and effective implementation of the new 21st century assessments and accountability system in 2014, including preparing districts for this transition. We must also marshal scarce resources to ensure strong implementation of the new Common Core Standards, including streamlining testing.

- ▶ **Support SB 1458 (Steinberg)** to support continued improvements to the Academic Performance Index
- ▶ Strengthen the STEM pipeline and implement new science standards.

SUSTAIN HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Minimize cuts to higher education funding and broaden access to higher education for all students, including immigrant students. Support efforts resulting from the Student Success Task Force established by SB 1143 (Liu), which will dramatically improve completion rates for community college students.

- ▶ Maintain financial aid access and availability by continuing to invest in Cal Grant programs.
- ▶ **Support SB 1456 (Lowenthal)**, the "centerpiece" legislation seeking to dramatically improve completion rates for community college students.
- ▶ **Support SB 1062 (Liu)**, a Chamber-sponsored bill that proposes a very narrow but important change that strengthens the effectiveness and leadership capacity of the Chancellor's Office.
- ▶ **Support SB 1401 (Lieu)**, which encourages the California Workforce Investment Board to adopt new principles to ensure an industry sector-based approach to workforce development planning. The legislation instructs this Board to create a statewide strategy to ensure Californians have the skills needed by industries to drive economic growth and future prosperity across the State.

PLACE

Ranking among CEOs on a best states for business

Eighth Annual Survey of Best & Worst States in 2012

More than
\$500 billion
California's pension liability

"Going For Broke: Reforming California's Public Employee Pension Systems" Stanford Institute for Economic Research, April 2010

48th California's ranking on the 2012 state business tax climate index

Tax Foundation's 2012 State Business Tax Climate report, January 2012

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