STRENGTHENING THE CALIFORNIA DREAM

California has added more than 1.17 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 8 percent, we still have a long way to go before our economy is fully recovered. In order to strengthen California’s economic competitiveness and ensure continued job growth, it is essential to address our regulatory environment, which stifles and 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:

- Developing a world class cradle-to-career education system
- 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
- Providing adequate housing to reduce homelessness and create jobs

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

Tax Foundation’s 2015 State Business Tax Climate Index report

2,565 the number of California business with 3+ employees that have relocated to other states between 2007 and 2011 (taking 109,000 jobs with them)

Chief Executive Magazine’s Ninth Annual Survey of Best & Worst States, May 2014

2.3 million the number of additional college graduates needed to meet the workforce demands of 2025

The Campaign for College Opportunity

25 million number of people in California that depend on Bay Delta water

Metropolitan Water District of Southern California

$60,032 vs. $8,219 What the State spends each year to incarcerate one prisoner, vs. what they spend to educate a K-12 student

Chief Executive Magazine’s Ninth Annual Survey of Best & Worst States, May 2014
DEVELOP A WORLD CLASS CRADLE-TO-CAREER EDUCATION SYSTEM

The Los Angeles 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 an increasingly global economy.

Continued investments in innovative education approaches such as Common Core, Next Generation Science Standards, Local Control Funding Formula, Career Pathways Trust Fund, Smarter Balanced Assessments, and AB 790 Linked Learning pilots are paving the way for the evolution of California public schools. However, when the State continues to spend $60,032 per year to incarcerate and only $8,219 to educate a K-12 student, we know that more needs to be done.

Investment and Expansion

The Chamber understands the importance of investing in early learning, particularly for children 0-3, and its effectiveness in increasing college and career readiness, decreasing crime, and building a stronger economy and middle class. For this reason, the Chamber supports efforts that expand quality early learning (0-8) and children’s health programs that support school readiness efforts and ensure student success.

Implementation and Support

The Chamber supports a strong and effective implementation of the new 21st century assessments, including policies aligning California to the Common Core State Standards, eliminating outdated assessments (SB 172 Liu), and developing a new reciprocal accountability system for the K-16 system. The Chamber is committed to supporting the implementation of Prop 47 and exploring policies that support reintegration into education and the workforce for our disconnected and adjudicated populations. Other priorities include supporting strategies that expand the qualified teacher candidate pool, support existing educators through continuing professional development, and support LCFF implementation by extending funding for reclassified English Language Learners (SB 460 Allen).

The Linked Learning Approach: Innovation and Modernization

The Chamber supports the Linked Learning approach for K-16 education, which integrates rigorous academics with career-based learning and real world workplace experience in a wide range of fields, including a focus on STEM and the arts. Linked Learning coupled with the new Common Core State Standards and Next Generation Science Standards will ensure that our students are college and career ready.

System Coordination and Competitiveness

The Chamber supports policies to improve post-secondary student success outcomes, improve public higher education system effectiveness and efficiency, expand access and eligibility for financial aid, and enact workforce development strategies that better prepare all workers, including the long-term unemployed, incumbent workers, veterans, dislocated and adjudicated workers, to compete in the global economy.

Additionally, the Chamber supports policies that encourage innovation in higher education, clear and open 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.

Education and Workforce Legislative Priorities

- Support SB 47 that requires the state preschool program sufficient appropriation to provide all children who are eligible for the program to obtain services.
- Support Chamber co-sponsored SB 172 (Liu) that suspends the CAHSEE for three school years and develops a panel to recommend exit exam options.
- SB 460 (Allen): Support Local Control funding efforts for English learner students while holding districts accountable for the funding.
- Support SB 12 (Beall) that would expand eligibility for extended foster care up to age 21 to two categories of crossover youth who have been involved in both the child welfare and delinquency systems.
- Support SB 15 (Block, de León, Liu) to increase funding for higher education, eliminate UC’s planned tuition increase, increase resident enrollment, and provide other benefits for students.
- Support AB 770 (Irwin) to create a voluntary framework for community colleges to redesign and scale proven practices in the delivery of remedial education.
- Support restoring full Cal Grant funding levels for qualifying students attending non-profit private colleges and universities.
- Support additional investments in UC and CSU aligned to the Governor’s recommendations to improve system efficiency and effectiveness, create better alignment to regional economies, and explore instructional delivery models that improve outcomes and manage costs while maintaining quality.
- Support the California Student Aid Commission’s budget request to continue funding the statewide Cash for College program, which assists low-income students in accessing college.
- Support competency-based education as a strategy to increase student engagement, persistence, and completion, while also creating opportunities for collaboration and alignment between faculty and industry.
- Support the expansion of dual enrollment policies aligned to strategic K-12 and community college system goals to improve student success.
STRENGTHEN CALIFORNIA’S ECONOMIC COMPETITIVENESS

Invest in Job Growth
California needs to make strategic investments in core sectors of its economy to retain jobs, businesses and tax revenues.

- **Support: AB 1286 (Mayes)** creates the California Regulatory Reform Council to analyze the holistic effects of state and local regulations on businesses, industries, and the broader economy; and provide recommendations on how the State’s regulatory environment could be improved.
- **Support: AB 184 (Garcia)** designates the Infrastructure and Economic Development Bank as the lead entity for facilitating the state’s engagement with five, key federal small business technical assistance programs, including Small Business Development Centers like Bixel Exchange.

Provide Certainty for Job Creators
As California’s economic recovery continues to improve, we should not disrupt that momentum with mandates and policies that will increase costs for California businesses and place them at a competitive disadvantage.

- **Support: AB 19 (Chang) and AB 866 (Garcia)** that provide the opportunity for agencies to review, consider, and amend impacts of regulations on small business, paving the way for less costly and less burdensome regulations for small business.
- **Oppose: AB 67 (Gonzalez)** increases California employer costs of doing business on “family holidays” by requiring employers to pay employees double compensation on Christmas Day and Thanksgiving. This bill creates a competitive disadvantage, and potentially violates employers’ constitutional rights by forcing employers to recognize certain days as “family holidays.”
- **Oppose: AB 357 (Chiu)** imposes a two weeks’ notice scheduling mandate on any food and general retail establishment, and penalizes the employer by requiring “additional pay” for making changes to the schedule with less than two weeks’ notice.
- **Oppose: AB 359 (Gonzalez)** requires any successor grocery employer to retain employees of the former grocery employer for 90 days and continue to offer continued employment unless the employees’ performance during the 90-day period was unsatisfactory.
- **Oppose: AB 1357 (Bloom)** and similar legislation that create a tax and/or require safety warning labels on all sugar-sweetened beverages for distribution or sale; including soda, tea, and juice. Targeting the beverage industry to reduce obesity will not appropriately address the serious and complex health issues facing Californians.
- **Oppose SB 406 (Jackson)** expands the California Family Rights Act, providing a California-only, separate 12-week protected leave of absence for both small and large employers to administer, thereby increasing costs and risk of litigation. SB 406 creates less conformity with federal law by dramatically reducing the employee threshold from 50 to less than 25 employees and expanding the family members for whom leave may be taken.

MAINTAIN ENERGY RELIABILITY AND AFFORDABILITY

Reliable and affordable energy is critical economic input that helps maintain California’s economic competitiveness. The Chamber supports policies that maximize domestic energy supplies and job growth, minimize energy costs for families and businesses, and reduce emissions in the most cost-effective manner possible.

- **Support: AB 857 (Perea) and AB 1074 (Garcia)** to accelerate the widespread deployment of clean and low carbon heavy-duty vehicles by reducing the cost of procuring such technologies and requiring the state to plan for the charging and refueling infrastructure needed throughout the State’s major corridors.
- **Support: SB 471 (Pavely)** to reduce emission from California’s water system by making new water resources that help reduce GHG emissions eligible for funding from the State’s GHG Reduction Fund.
- **Support for AB 802 (Williams)** to increase the amount of potential energy efficiency savings by allowing electrical or gas corporations to recover the reasonable costs of energy efficiency programs.
- **Support for AB 1144 (Rendon)** which would count customer-owned renewable energy toward RPS compliance and reduce air pollution at wastewater treatment facilities.
INVEST IN OUR AGING INFRASTRUCTURE

Accelerate California’s Drought Response

California is experiencing unprecedented drought that is impacting all of the state’s residents and businesses. Compounding these historic drought conditions are aging local and state water supply systems that are in dire need of repair and modernization. It is critical that policymakers work together to secure reliable water supplies.

- Improve: 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: Implementation of the Governor’s Water Action Plan and its efforts 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 L.A.’s Investments in Transportation

L.A. residents have approved several, local, tax measures and projects to pay for the maintenance and expansion of their regional transportation system. The Chamber supports policies that empower local governments to identify and deliver the projects and programs that best improve mobility in their region.

- Support: SB 767 (de Leon) to authorize L.A. County Metro to place a transportation sales tax measure on a future ballot.
- Support AB 1265 (Perea) to reauthorize the Public Private Partnership (P3s) Program and streamline the process for pursuing P3s.
- 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.
- Support: ACA 4 (Frazier) to provide local governments with more flexibility needed to fund critical, transportation infrastructure.
- Support: AB 1360 (Ting) and AB 828 (Low) to protect consumer choice and safety and ensure carpooling and ride sharing continue to play a critical role in addressing traffic and pollution concerns by taking cars off the road and eliminating redundant car trips.

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 – thrives and 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, and create incentives for technology companies to grow.

- Support: SB 178 (Leno), the Electronic Communication Privacy Act, will safeguard Californians’ electronic information and support innovation and the digital economy by updating California privacy law to reflect current technology. It will balance law enforcement needs to access information to ensure public safety with proper judicial oversight and transparency and protection for the public’s digital privacy.
- Oppose: SB 576 (Leno) would require the operator of a mobile application to provide notice and obtain consent that a user’s geolocation information is being collected, used and shared. The functionality of many, innovative, mobile applications requires a constant feedback of the user’s geolocation information. The mandate of numerous redundant and unnecessary notices and requests for consent would leave many current and future mobile applications useless, stifle innovation and growth in the industry, and create unnecessary and costly litigation.
- Support: AB 184 (E. Garcia) designates the Infrastructure and Economic Development Bank as the lead entity for facilitating the state’s engagement with five key federal small business technical assistance programs, including Small Business Development Centers like Bixel Exchange. While AB 184 does not appropriate funding, it lays the foundation so that federal dollars that could go to support small businesses in-state won’t have to be re-directed elsewhere because California is unable to match the allocated money.
- Oppose: AB 1116 (Committee on Privacy and Consumer Protection) would prohibit connected televisions equipped with a voice recognition feature that are sold or leased in California to use spoken words or other sounds for any purpose not essential to the function for which the user enabled it, or to enable the feature without the user’s consent. While the bill is well intentioned in its approach to protecting privacy, it could have unintended consequences such as hindering the accessibility functions of devices, as well as stymieing innovation. In addition, the bill could be interpreted to extend past its intended function to limit other audio visual applications, rendering them useless. Adopting legislation at an early stage in the technology would also have a chilling effect on other, similar innovations.
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, the Chamber supports policies that maintain network adequacy and stabilize rates.

Ensuring Network Adequacy for an Expanding Population of Beneficiaries

- **Support:** AB 366 (Bonta) and SB 243 (Hernandez) that increase Medi-Cal rates to providers and repeal Medi-Cal rate reductions made in 2011. As we work to improve access to health care for California’s expanding Medi-Cal population, it is critical to provide adequate access to care.
- **Support:** SB 323 (Hernandez) which expands the authority of nurse practitioners to provide primary care without supervision by a physician. Nurse practitioners play a vital role in our health care delivery system, and with the increasing demand on the health care industry, communities only benefit from allowing them to practice to the full extent of their education, experience and expertise.
- **Support:** Creation of uniform charity care requirements for hospitals by defining ‘community benefit’ and aligning state and federal community benefit laws. California’s community benefit partnerships are an important part of the State’s health care safety net, and streamlining a redundant and bureaucratic process will allow California’s model program to become even better. Additionally, we oppose bills that do this while narrowing the scope in which communities can receive charity care benefits.

Create More Certainty for Employers and Increase Opportunities to Control Health Care Costs

- **Support:** AB 463 (Chiu) requires drug companies to submit information for only those most expensive drugs - those priced at over $10,000 per year - allowing policymakers to look at those treatments that have the largest cost impact and minimizing the reporting requirements on drug companies.
- **Support:** Changes to the State income tax code to incentivize adoption of Health Savings Accounts as a key driver of employee choice and cost savings.

Create Certainty for Federally Qualified Health Centers and Nonprofit Hospitals

- **Support:** AB 1300 (Ridley-Thomas) makes clarifying changes to better define the various steps of a 5150 detention process to ensure consistent statewide application and that patients receive the most appropriate care in the least restrictive environment appropriate to their needs.
- **Support** SB 147 (Hernandez) and similar legislation that will provide more flexibility in operations, and increase the availability of services for Medi-Cal patients at federally qualified health centers (FQHC) or rural health clinics. Protecting and expanding these resources will allow providers greater flexibility to deliver health care in a manner that best meets their patient’s individual needs.
- **Oppose:** SB 483 (Beall) requires a general, acute care hospital that provides observation services to apply for approval from the state to provide those services.

TO PROVIDE ADEQUATE HOUSING TO REDUCE HOMELESSNESS AND CREATE JOBS

The Chamber is a co-partner with the United Way of Greater Los Angeles on implementing Home for Good, a public-private initiative to end chronic and veteran homelessness in L.A. County. The collective efforts have housed more than 10,000 formerly homeless and veteran individuals into permanent supportive housing. 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:** AB 35 (Chiu and Atkins) expands the state’s Low-Income Housing Tax Credit by $300 million annually, increasing the funding available to build apartments and homes that remain affordable. This expansion will not only give developers access to more funding for building developments to address L.A.’s affordable housing needs, but it will also open the door to leveraging additional federal funds (a total of $600 million annually).
- **Support:** AB 90 (Chau) creates a framework for how California will spend funds received from the National Housing Trust Fund, which (with the recent lift of the suspension that prevented funding of the trust fund) are expected to begin flowing to California in 2016.
- **Support:** AB 1056 (Atkins) uses 33 percent of the budget savings under Proposition 47 for use in a rapid rehousing program aimed at helping house the formerly incarcerated who suffer from mental-health or substance-use issues. For those exiting California’s correctional facilities, this will help alleviate many of the barriers to a stable life for these individuals.
- **Support:** AB 1335 (Atkins), the Building Homes and Jobs Act of 2015, would create an ongoing, predictable source of funding for the Housing Trust Fund of $2 billion annually. For every $500 million generated, 29,000 well-paying jobs would be created. The source for all this economic activity would be a $75 document recording fee on real-estate transactions. In contrast to previous legislation, this would not affect documents recorded for commercial and residential home sales.
- **Support:** AB 1068 (Allen) and similar legislation that expedites and streamlines the California Environmental Quality Act (CEQA) review process for projects and developments across the state. And **Oppose:** SB 122 (Jackson) that increases the abuse and unnecessary barriers enacted by existing CEQA regulations.
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List as of 5.14.15