



## COUNTY OF PLACER

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OFFICE OF  
COUNTY EXECUTIVE  
THOMAS M. MILLER, County Executive Officer

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**TO:** The Honorable Board of Supervisors  
**FROM:** Rich Colwell, Chief Assistant County Executive Officer  
By: Dave Snyder, Economic Development Director  
**DATE:** August 22, 2006  
**SUBJECT:** Support Assembly Bill 2860 – The California Commission on Manufacturing Competitiveness and Innovation

### ACTION REQUESTED

Authorize the Chairman to sign a letter (Attachment 1) in support of Assembly Bill 2860 (Attachment 2) that would establish the California Commission on Manufacturing Competitiveness and Innovation within the Office of the Governor, to restore California's leadership position in industrial innovation.

### BACKGROUND

Assembly Bill 2860, introduced by Assembly Member Ted Lieu, would make several changes to existing law relating to the California Commission on Industrial Innovation that was established nearly 25 years ago (1982). It would recast and rename the dormant commission the California Commission on Manufacturing Competitiveness and Innovation.

The primary purpose of the newly constituted commission would be to identify state policies that support or hinder the advanced manufacturing practice necessary to maintain high productivity, and examine and evaluate the effectiveness of any state program assisting or hindering manufacturing. The commission would be comprised of 25-members representing state government, academia, Labor and manufacturing firms.

On August 17, the Placer County Economic Development Board voted to support AB 2860. Sponsored by the California Manufacturers and Technology Association, AB 2860 is also supported by the California Association for Economic Development and many other public and private interests.

### FISCAL IMPACT

There is no fiscal impact to the General Fund by your Board taking this action to support AB 2860.

Attachment: 1) AB 2860 Letter of Support  
2) AB 2860 Bill Text (5/26/06 amended version)

# County of Placer Board of Supervisors

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August 22, 2006

The Honorable Ted Lieu  
California State Assembly  
Sacramento, CA 95814

**RE: SUPPORT – ASSEMBLY BILL 2860**

Dear Assembly Member Lieu,

Today, the Placer County Board of Supervisors voted to support your Assembly Bill 2860 that would establish the California Commission on Manufacturing Competitiveness and Innovation, within the Office of the Governor, to restore California's leadership position in industrial innovation.

Placer County supports efforts to retain and attract high-wage jobs in technology and manufacturing. We also support the primary purpose of AB 2860 that will bring together government, academia, Labor and the private sector to study and recommend polices to restore California's leadership position in industrial innovation. This proposed commission fills a critical gap for California policymakers, as there is currently no state agency or commission with this important purpose.

As Chairman of the Placer County Board of Supervisors, I wish to thank you for introducing this legislation and the opportunity for Placer County to express its support.

Sincerely,

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Bill Santucci, Chairman  
Placer County Board of Supervisors

Cc: Assembly Member Rick Keene, District 3  
Assembly Member Tim Leslie, District 4  
Assembly Member Roger Niello, District 5  
Senator Dave Cox, State Senate District 1  
Senator Sam Aanestad, District 4  
California State Association of Counties  
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BILL NUMBER: AB 2860 AMENDED  
BILL TEXT

AMENDED IN ASSEMBLY MAY 26, 2006  
AMENDED IN ASSEMBLY MAY 1, 2006  
AMENDED IN ASSEMBLY APRIL 3, 2006

INTRODUCED BY Assembly Member Lieu  
(Principal coauthor: Assembly Member Torrico)  
( Coauthor: Senator Figueroa  
)

FEBRUARY 24, 2006

An act to amend Sections 12095, 12095.01, 12095.02, 12095.10, 12095.11, 12095.12, 12095.21, 12095.40, and 12095.52 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2860, as amended, Lieu State government: manufacturing competitiveness and innovation.

(1) Existing law establishes the California Commission on Industrial Innovation within the office of the Governor composed of 25 members, as specified. The commission is required to, among other things, identify the means of financing innovative industry, including, but not limited to, public and private pension funds and industrial development bonds, hold hearings on its findings, and carry out other specified duties.

Existing law also authorizes the chair of the commission to appoint an advisory council to examine specific topics at the commission's direction, as specified.

This bill would restrict the advisory council's examination of topics to those at the commission's direction and would recast and rename the commission as the California Commission on Manufacturing Competitiveness and Innovation with responsibility for, among other things, identifying state policies that support or hinder the advanced manufacturing practice necessary to maintain high productivity and examining and evaluating the effectiveness of any state program assisting or hindering manufacturing. *This bill would also prohibit the commission from making policy recommendations that could diminish wage and hour, social insurance, or health and safety protections for California workers.* The bill would also require the commission to provide an annual status report to the Legislature, as specified.

(2) Existing law requires the commission to hire an executive director who has background experience in the purposes of the commission.

This bill would require that the commission select an executive director by March 1, 2007. The bill would direct the commission to notify the Joint Legislative Budget Committee and other relevant policy committees, as specified, by April 1, 2007, if the commission is unable to hire an executive director by March 1, 2007.

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

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12095 of the Government Code is amended to read:

12095. The Legislature finds and declares the following:

(a) A competitive and innovative manufacturing sector is basic to the preservation and growth of a strong state economy and high-wage employment.

(b) Manufacturers characterized by a sustained capacity for innovation require the following to remain competitive and grow in the state:

(1) Well-educated and well-trained employees at every level.

(2) State policies that support continued research and development and capital investment in manufacturing plants and equipment.

(3) Access to technology and worker training programs to maintain high productivity.

(4) Continued access to the latest and best information from basic and applied research.

(5) A well-planned and maintained system of transportation, water and energy supply, and waste disposal.

(6) Access to capital markets.

SEC. 2. Section 12095.01 of the Government Code is amended to read:

12095.01. In order to encourage industrial innovation, and to develop policies that maintain California's leadership in the national economy and retain its international competitive position, the Legislature intends by the enactment of this chapter to create the California Commission on Manufacturing Competitiveness and Innovation within the office of the Governor, the Legislature further intends that the commission be governed by leading representatives of California government, academia, labor, and manufacturers, and that the commission provide research that can be used by it in developing and recommending effective and aggressive strategies for expanding the state's economy and employment rate.

SEC. 3. Section 12095.02 of the Government Code is amended to read:

12095.02. Unless the contrary is stated or clearly appears from the context, the definitions set forth in this section shall govern the interpretation of this chapter:

(a) "Commission" means the California Commission on Manufacturing Competitiveness and Innovation.

(b) "Council" means the advisory council of the commission established by Section 12095.20.

(c) "Manufacturing" refers to companies in North American Industry Classification System codes 31, 32, and 33.

SEC. 4. Section 12095.10 of the Government Code is amended to read:

12095.10. There is hereby created within the office of Governor the California Commission on Manufacturing Competitiveness and Innovation. The commission shall be composed of 25 members, five from the public sector, four from academia, six from labor, and 10 from manufacturing firms as follows:

(a) The Governor.

(b) Two officers from the executive branch of state government, appointed by the Governor.

(c) A Senator appointed by the Senate Rules Committee.

(d) An Assembly Member appointed by the Speaker of the Assembly.

(e) Two administrators or faculty members from the University of California, the California State University, the California Community Colleges, or the State Department of Education, appointed by the

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Governor.

(f) An administrator or faculty member from any California educational or training institution, appointed by the Senate Rules Committee.

(g) An administrator or faculty member from any California educational or training institution, appointed by the Speaker of the Assembly.

(h) Four officials from organized labor, appointed by the Governor.

(i) An official from organized labor, appointed by the Senate Rules Committee.

(j) An official from organized labor, appointed by the Speaker of the Assembly.

(k) Six officers from manufacturing firms, appointed by the Governor.

(l) Two officers from manufacturing firms, appointed by the Senate Rules Committee.

(m) Two officers from manufacturing firms, appointed by the Speaker of the Assembly.

SEC. 5. Section 12095.11 of the Government Code is amended to read:

12095.11. In making appointments the Governor, Senate Rules Committee, and Speaker of the Assembly shall be guided by the diversity of regions, needs, and interests which characterize California's manufacturers and those persons and institutions whose economic well-being may depend upon their success.

SEC. 6. Section 12095.12 of the Government Code is amended to read:

12095.12. The members of the commission shall be appointed within 60 days of the effective date of this chapter. Any vacancy in the commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made. The term of office of each member of the commission shall be two years except that all of the following shall apply:

(a) Members serve at the pleasure of their appointing authority.

(b) In the event the appointing authority leaves office, members continue to serve unless replaced by the new incumbent.

(c) Any member appointed to fill a vacancy shall serve for the remainder of the term for which his or her predecessor was appointed.

SEC. 7. Section 12095.21 of the Government Code is amended to read:

12095.21. The council shall examine specific topics at the commission's direction.

SEC. 8. Section 12095.40 of the Government Code is amended to read:

12095.40. The commission shall develop policies which maintain California's leadership in the national economy. *The commission shall avoid policy recommendations that could diminish wage and hour, social insurance, or health and safety protections for California workers.* This leadership position is necessary to preserve jobs for Californians, to create new jobs, and to guarantee the continued growth of the state's economy. With these goals in mind, the California Commission on Manufacturing Competitiveness and Innovation shall do the following:

(a) Convene representatives of business, labor, academia, and government to assess the problems inhibiting, and latent opportunities for, manufacturing investment and employment growth throughout the state.

(b) Advise in the establishment of programs in scientific and

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technical education and job training which will prepare Californians for employment in manufacturing firms and for life in an increasingly technological society.

(c) Assess and evaluate programs which improve productivity while maintaining regard for worker involvement and satisfaction.

(d) Identify means by which industry and universities can cooperate on research and development projects and in the establishment or expansion of cooperative research and development institutes.

(e) Identify state policies that support or hinder the advanced manufacturing practice necessary to maintain high productivity.

(f) Identify and solicit financial support for the activities of the commission, such as foundation grants and individual donations.

(g) Examine and evaluate the effectiveness of any state programs assisting or hindering manufacturing.

(h) Identify shortcomings in the transportation, sewer, water, energy, and waste disposal systems which inhibit existing or future manufacturing firms.

(i) Hold hearings on the findings of the commission.

(j) Advise the Governor and the Legislature on its deliberations, with particular attention to changes in law or administrative practice which the commission believes may be necessary to realize the purposes for which the commission was created.

(k) Submit a status report to the Legislature on the activities of the commission on December 1, 2007, and annually thereafter.

SEC. 9. Section 12095.52 of the Government Code is amended to read:

12095.52. (a) The Manufacturing Competitiveness and Innovation Fund is hereby established as a special fund in the State Treasury. The fund shall consist of private sector money which may be made available, federal funds, when available, other state funds, and fees for services rendered, if levied.

(b) The Controller shall disburse such money available in the fund, upon the request of the commission.

SEC. 10. The California Commission on Manufacturing Competitiveness and Innovation shall hire an executive director, pursuant to Section 12095.50 of the Government Code, on or before March 1, 2007. If the commission fails to hire an executive director on or before March 1, 2007, the commission shall, by April 1, 2007, notify the Joint Legislative Budget Committee and other relevant policy committees that the executive director position is vacant. As part of the notification, the commission shall provide an explanation to these committees regarding the reason for the vacancy.