

Version 1.0 – The California Economic Development Recovery Strategy

California workers and businesses are currently facing some of the harshest economic conditions since the Great Depression. Unemployment in California has reached 10.1% and is projected to rise to at least 11% before the current recession is over. Some areas of the state, however, are already experiencing unemployment rates of over 26%.

The California Economic Development Recovery Strategy sets forth a blueprint for state economic and workforce development actions over the next 24 months. The state strategy includes both key information on available state and federal programs, as well as recommendations on how California can best leverage the new federal funding and its own resources to address the immediate economic crisis and provide for a more prosperous and sustainable future.

The initial draft of the Strategy is designed to assist state officials and both the public and private sectors in developing a meaningful dialogue about California's future. Once an initial draft is published in mid-March, the Strategy will be open for further review and development by many stakeholders in the next two months. Outreach is being planned through public hearings, local economic round tables, and wide distribution through the Internet.

The foundational principles of the Strategy are to:

- Design a Strategy that leads to a renewed vision of California's future;
- Leverage California's innovation leadership;
- Weigh actions today against impacts tomorrow;
- Manage toward defined outcomes; and
- Focus on local and regional delivery strategies.

The five goals of the Strategy are to:

- Improve business access to capital;
- Target infrastructure projects that link to economic development;
- Expedite workforce services, educational services, and training opportunities;
- Enhance local and regional community development capacity; and
- Ensure that the state's recovery strategy is a plan for all Californians.

Examples of recommended economic and workforce development activities include, but are not limited to:

- **Ensure Oversight of Recovery Efforts**: Establish a state economic recovery board, similar to the federal board, to oversee the effective use of state and federal resources.
- **Cut Government Red Tape**: Introduce legislation to reduce the impact of state regulations on small and medium-size businesses, while retaining stated policy objectives.
- **Provide Small Business Gap Financing**: Introduce legislation to expand the state Small Business Guarantee Program to offer direct loans to small businesses that receive a federal guarantee from the federal Small Business Administration.

- **Establish Green Innovation Zones:** Introduce legislation to enhance the incentives within Enterprise Zones that could be beneficial to cleantech R&D, manufacturing, and distribution.
- **Funding of Green Infrastructure Projects:** Introduce legislation to prioritize state funding toward green infrastructure projects that are "shovel ready," those that have the ability to create long-term jobs, and provide a "green dividend."
- **Expand Green Training Opportunities:** Introduce legislation to appropriate supplemental federal funds to community colleges for green training opportunities.
- **Learn By Building:** Introduce legislation to integrate training components into large and small-scale infrastructure projects where they do not currently exist.

This initial draft of the CA Economic Recovery Strategy consists of five sections including:

1. **Recommendations on a structural framework for moving forward** including goals, action items, funding sources, and monitoring provisions. This section will recommend actions that need to be implemented immediately and those that should be undertaken over the next two years. The section also includes details on the next steps for the finalization and implementation of the Strategy.
2. **An assessment of the California economy.** California is one of the largest and most diversified economies in the world, ranking 8th in economic productions behind only the U.S., Japan, Germany, China, United Kingdom, France, and Italy. Driving the state's \$1.8 trillion economy are the businesses and workers in the state's nine economic regions. This section includes details on major industries, and employment and growth patterns.
3. **A focus on California's green economy.** Innovation has long been one of the common denominators of the California economy. In this section, the document includes an expanded analysis of business and workforce opportunities of the emerging green economy.
4. **Local, state, and federal resources available to implement the Strategy.** This section provides a list of the types of local, state, and federal resources that are available to move the California economy forward and help mitigate the current impact of the crisis on local workers and businesses.
5. **State and regional organizations available to implement the Strategy.** The private sector, often overlooked when developing a state strategy, can play an important role in the implementation of this comprehensive community and economic development strategy. This section identifies a broad range of organizations that can serve in this pivotal role.

The success of the Strategy will be measured by its ability to engage a broad spectrum of Californians, and by an increase in jobs and private capital to sustain existing and establish new businesses.