

**Assembly
California Legislature
Committee on Rules**

**KEN COOLEY
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SALAS, JR. RUDY
WALDRON, MARIE

FONG, VINCE (R-ALT)
LEVINE, MARC (D-ALT)
REYES, ELOISE GÓMEZ (D-ALT)

Monday, August 6, 2018
10 minutes prior to Session
State Capitol, Room 3162

CONSENT AGENDA

BILL REFERRALS

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RESOLUTIONS

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Assembly
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Committee on Rules

KEN COOLEY
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ADRIN NAZARIAN
RUDY SALAS
MARIE WALDRON

MARC LEVINE (D-ALT.)
ELOISE GÓMEZ REYES (D-ALT.)
VINCE FONG (R-ALT.)

Memo

To: Rules Committee Members
From: Michael Erke, Bill Referral Consultant
Date: 8/3/18
Re: Consent Bill Referrals

Since you received your preliminary list of bill referrals, ACR 260 has been added.

REFERRAL OF BILLS TO COMMITTEE

08/06/2018

Pursuant to the Assembly Rules, the following bills were referred to committee:

Assembly Bill No.	Committee:
<u>ACR 253</u>	RLS.
<u>ACR 260</u>	JUD.
<u>ACR 264</u>	RLS.
<u>ACR 265</u>	RLS.
<u>ACR 266</u>	RLS.
<u>ACR 267</u>	RLS.
<u>ACR 268</u>	ED.
<u>AJR 47</u>	NAT. RES.
<u>AJR 48</u>	B. & F.
<u>HR 115</u>	RLS.
<u>HR 119</u>	RLS.
<u>SCR 111</u>	TRANS.
<u>SCR 114</u>	A.,E.,S.,T., & I.M.
<u>SCR 143</u>	HEALTH
<u>SCR 155</u>	RLS.
<u>SJR 14</u>	JUD.

Assembly Concurrent Resolution

No. 192

Introduced by Assembly Members Salas and Acosta

March 5, 2018

Assembly Concurrent Resolution No. 192—Relative to Gold Star Mothers’ and Families’ Day.

LEGISLATIVE COUNSEL’S DIGEST

ACR 192, as introduced, Salas. Gold Star Mothers’ and Families’ Day.

This measure would proclaim September 30, 2018, as Gold Star Mothers’ and Families’ Day in California.

Fiscal committee: no.

1 WHEREAS, The history of Gold Star Families began in the
2 United States shortly after World War I to provide support for
3 mothers who lost sons or daughters in the war; and

4 WHEREAS, The reference to the Gold Star comes from the
5 custom of families of servicemen or servicewomen hanging a
6 service flag in the window of their homes displaying a blue star
7 for every living family member in the service and a gold star for
8 those who have perished; and

9 WHEREAS, The United States began observing Gold Star
10 Mothers’ Day on the last Sunday of September in 1936, and the
11 Gold Star Wives was formed before the end of World War II; and

12 WHEREAS, Since 2009, United States President Barack Obama
13 has issued annual proclamations designating the last Sunday in
14 September as Gold Star Mothers’ and Families’ Day; and

1 WHEREAS, The strength of our military is built upon the men
2 and women who serve in uniform and the families who support
3 them; and

4 WHEREAS, Since the start of the War on Terrorism more than
5 6,800 members of the United States Armed Forces have lost their
6 lives; and

7 WHEREAS, The families of our fallen soldiers have made a
8 tremendous sacrifice on behalf of our country; and

9 WHEREAS, All Gold Star Families deserve to be recognized
10 by our local, state, and federal leaders for their sacrifices and for
11 their dedicated and patriotic support of the United States; and

12 WHEREAS, Supporting Gold Star Families who have lost loved
13 ones to combat demonstrates the commitment of the American
14 people to those families now and in the future; and

15 WHEREAS, As a nation, we must continually look for new
16 ways to support Gold Star Families both in the days immediately
17 following the tragedy and in the years that follow; now, therefore,
18 be it

19 *Resolved by the Assembly of the State of California, the Senate*
20 *thereof concurring,* That the Legislature hereby proclaims
21 September 30, 2018, as Gold Star Mothers' and Families' Day in
22 California; and be it further

23 *Resolved,* That the Chief Clerk of the Assembly shall transmit
24 copies of this resolution to the author for appropriate distribution.

O

Date of Hearing: August 6, 2018

ASSEMBLY COMMITTEE ON RULES
Ken Cooley, Chair
ACR 192 (Salas) – As Introduced March 5, 2018

SUBJECT: Gold Star Mothers' and Families' Day.

SUMMARY: Proclaims September 30, 2018, as Gold Star Mothers' and Families' Day in California. Specifically, **this resolution** makes the following legislative findings:

- 1) The history of Gold Star Families began in the United States after World War I to provide support for mothers who lost sons or daughters in the war.
- 2) The reference to the Gold Star comes from the custom of families of servicemen or servicewomen hanging a service flag in the window of their homes displaying a blue star for every living family member in the service and a gold star for those who have perished.
- 3) The United States began observing Gold Star Mother's Day on the last Sunday of September in 1936, and the Gold Star Wives was formed before the end of World War II.
- 4) The strength of our military is built upon the men and women who serve in uniform and the families who support them. The families of our fallen soldiers have made a tremendous sacrifice on behalf of our country.
- 5) All Gold Star Families deserve to be recognized by our local, state, and federal leaders for their sacrifices and for their dedicated and patriotic support of the United States.
- 6) Supporting Gold Star Families who have lost loved ones to combat demonstrates the commitment of the American people to those families now and in the future.

FISCAL EFFECT: None

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Nicole Willis / RLS. / (916) 319-2800

Assembly Concurrent Resolution

No. 261

Introduced by Assembly Members Kalra and Cristina Garcia
(Principal coauthors: Assembly Members Cooper and Quirk)
(Principal coauthor: Senator Wieckowski)
(Coauthor: Senator Beall)

June 25, 2018

Assembly Concurrent Resolution No. 261—Relative to California Hindu American Awareness and Appreciation Month.

LEGISLATIVE COUNSEL’S DIGEST

ACR 261, as introduced, Kalra. California Hindu American Awareness and Appreciation Month.

This measure would designate the month of October 2018 as California Hindu American Awareness and Appreciation Month. The measure would also recognize and acknowledge the significant contributions made by Californians of Hindu heritage to the state and seek to increase awareness and understanding of the Hindu American community.

Fiscal committee: no.

- 1 WHEREAS, California and the nation have been influenced by
- 2 the extraordinary cultural, ethnic, linguistic, and religious diversity
- 3 of its residents; and
- 4 WHEREAS, There is an estimated one billion Hindus
- 5 worldwide, and approximately 3.23 million Hindu Americans live
- 6 across the nation; and
- 7 WHEREAS, California is home to the largest Hindu American
- 8 population in the United States; and

1 WHEREAS, Hindu Americans in California represent diverse
2 ethnic backgrounds, including individuals of Indian, Pakistani,
3 Bangladeshi, Malaysian, Indonesian, Afghani, Nepali, Bhutanese,
4 Sri Lankan, Fijian, Caribbean, and European descent; and

5 WHEREAS, California and our nation have greatly benefited
6 from Hindu Americans, especially through the Vedanta philosophy,
7 Ayurvedic medicine, classical Indian art, dance, music, meditation,
8 yoga, literature, and community service; and

9 WHEREAS, 2018 marks the 125 year anniversary of when
10 Hinduism was officially introduced to the United States by Swami
11 Vivekananda in 1893 at the World's Parliament of Religions in
12 Chicago, and the 118 year anniversary of when he founded the
13 Vedanta Society in San Francisco, California in 1900; and

14 WHEREAS, Hindus are primarily an immigrant community
15 and first started immigrating to California and the United States
16 in the early 1900s, and came in increasing numbers after the lifting
17 of the Asian Exclusion Act of 1924 in 1943 and the abolishment
18 of quotas for immigrants based on national origin in 1965; and

19 WHEREAS, Most Hindu immigrants have come to the United
20 States as students, in search of better economic opportunities, or
21 to unite with family members, while others have arrived in this
22 country after facing religious persecution in their countries of
23 origin; and

24 WHEREAS, Hindu Americans and the Vedanta philosophy
25 have significantly influenced notable intellectuals such as Henry
26 David Thoreau, Ralph Waldo Emerson, Walt Whitman, J.D.
27 Salinger, Christopher Isherwood, Aldous Huxley, Huston Smith,
28 and Joseph Campbell; and

29 WHEREAS, The first Hindu temple in the United States was
30 built in San Francisco, California, and at the dedication of the
31 temple on January 7, 1906, it was proclaimed to be the "First Hindu
32 Temple in the Whole Western World"; and

33 WHEREAS, There are now over 120 Hindu temples, religious
34 centers, and cultural centers throughout California, and the greater
35 Bay Area is home to over 40 of those temples and centers; and

36 WHEREAS, Hindu Americans have greatly enriched
37 California's higher education university systems by teaching
38 numerous students, especially in the academic fields of
39 astrophysics, computer science, engineering, law, planetary science,

1 psychology, and neuroscience, and a majority of Hindu Americans
2 are in high-skill occupations; and

3 WHEREAS, Seventy-seven percent of Hindu American adults
4 have a college degree and nearly 50 percent of Hindu American
5 adults have a postgraduate degree, according to the Pew Research
6 Center; and

7 WHEREAS, Hindu Americans share the entrepreneurial spirit
8 of America and contribute to California's economic vitality, having
9 been pioneers and leaders in Silicon Valley and founded several
10 of its early startups. Hindu Americans are estimated to be employed
11 in 40 percent of startups in Silicon Valley; and

12 WHEREAS, Hindu Americans have also contributed to many
13 of California's economic sectors and have particularly excelled in
14 the areas of business, law, politics, information technology,
15 medicine, and science; and

16 WHEREAS, Hindu Americans now serve in various levels of
17 government across the state and nation, including four Members
18 in the United States House of Representatives; and

19 WHEREAS, California Hindu temples, organizations, and
20 individuals actively engage in seva, a Sanskrit word for selfless
21 service, towards their fellow human beings through charity, public
22 service, and the provision of free medical and legal services; and

23 WHEREAS, Ahimsa, which is the Sanskrit word for noninjury
24 or nonviolence, is a central principle for Hindu Americans in
25 California, and it provides the ethical foundation for vegetarianism,
26 environmentalism, and harmonious living; and

27 WHEREAS, Hindu Americans in cities throughout California
28 celebrate numerous holidays and festivals, such as Diwali, which
29 celebrates the victory of good over evil and knowledge over
30 ignorance; and

31 WHEREAS, Despite their positive contributions to California
32 and this nation, Hindu Americans face stereotypes and
33 misconceptions about their heritage and have been the targets of
34 bullying, discrimination, hate speech, and bias-motivated crimes;
35 and

36 WHEREAS, Many Hindus and their families in California and
37 the United States face an uncertain future in this country due to
38 inequitable immigration policies and decades-long backlogs for
39 green cards; and

1 WHEREAS, Hindu Americans promote the ideals of tolerance,
2 pluralism, and religious freedom, which are inherent to their beliefs
3 and respect the diversity of all faiths, and the Vedas, the 5000 year
4 old texts of Hindu Americans, provide the basis for these core
5 principles: “Truth is one, the wise call it by many names” (Ekam
6 sat viprah bahudha vadanti); now, therefore, be it

7 *Resolved by the Assembly of the State of California, the Senate*
8 *concurring*, That the Legislature hereby designates the month of
9 October 2018 as California Hindu American Awareness and
10 Appreciation Month; and be it further

11 *Resolved*, That the Legislature recognizes and acknowledges
12 the significant contributions made by Californians of Hindu
13 heritage to our state, and by adoption of this resolution, seeks to
14 increase awareness and understanding of the Hindu American
15 community; and be it further

16 *Resolved*, That the Chief Clerk of the Assembly transmit copies
17 of this resolution to the author for appropriate distribution.

O

Date of Hearing: August 6, 2018

ASSEMBLY COMMITTEE ON RULES
Ken Cooley, Chair
ACR 261 (Kalra) – As Introduced June 25, 2018

SUBJECT: California Hindu American Awareness and Appreciation Month.

SUMMARY: Designates the month of October 2018 as California Hindu American Awareness and Appreciation Month, and recognizes the significant contributions made by Californians of Hindu heritage to the state. Specifically, **this resolution** makes the following legislative findings:

- 1) There is an estimated one billion Hindus worldwide, and more than 3.23 million Hindu Americans live across the nation, and California is home to the largest Hindu American population in the United States.
- 2) Hindu Americans in California represent diverse ethnic backgrounds, including individuals of Indian, Pakistani, Bangladeshi, Malaysian, Indonesian, Afghani, Nepali, Bhutanese, Sri Lankan, Fijian, Caribbean, and European descent.
- 3) California and our nation have greatly benefited from Hindu Americans, especially through the Vedanta philosophy, Ayurvedic medicine, classical Indian art, dance, music, meditation, yoga, literature, and community service.
- 4) 2018 marks the 125 year anniversary of when Hinduism was officially introduced to the United States by Swami Vivekananda in 1893 at the World's Parliament of Religions in Chicago, and the 18 year anniversary of when he founded the Vedanta Society of San Francisco, California in 1900.
- 5) Hindu Americans have greatly enriched California's higher education university systems by teaching numerous students, especially in the academic fields of astrophysics, computer science, engineering, law, planetary science, psychology, and neuroscience.
- 6) Hindu Americans share the entrepreneurial spirit of America and contribute to California's economic vitality, having been pioneers and leaders in Silicon Valley and founded several of its early startups. Hindu Americans are estimated to be employed in 40 percent of startups in Silicon Valley.
- 7) Hindu Americans now serve in various levels of government across the state and nation, including four Members in the United States House of Representatives.
- 8) Ahimsa, which is the Sanskrit word for noninjury or nonviolence, is a central principle for Hindu Americans in California, and it provides the ethical foundation for vegetarianism, environmentalism, and harmonious living.
- 9) Despite their positive contributions to California and this nation, Hindu Americans have been targets of bullying, discrimination, hate speech, and bias-motivated crimes.

- 10) Hindu Americans promote the ideals of tolerance, pluralism, and religious freedom, which are inherent to their beliefs and respect the diversity of all faiths.

FISCAL EFFECT: None

REGISTERED SUPPORT / OPPOSITION:

Support

Hindu American Foundation (HAF)

Opposition

None on file

Analysis Prepared by: Nicole Willis / RLS. / (916) 319-2800



July 3, 2018

The Honorable Ken Cooley
Chair Assembly Rules Committee
State Capitol Building, Room 3016
Sacramento, Sacramento CA 95814

RE: ACR 261 (Kalra) -- Support -- Hindu American Awareness and Appreciation Month

Dear Assemblymember Cooley,

I write on behalf of the Hindu American Foundation (HAF), a national nonprofit advocacy organization for the Hindu American community, to express our strong support for ACR 261.

ACR 261 would designate October 2018 as California Hindu American Awareness and Appreciation Month. As the nation's largest state, California is home to extraordinary diversity with residents representing a myriad of ethnic, cultural, linguistic, and religious backgrounds.

In order to celebrate this rich diversity and foster an environment of inclusiveness and pluralism, it is imperative that we recognize the contributions made by various communities to this great state. ACR 261 does just that by officially acknowledging and honoring the historic presence and significant contributions of Hindu Americans in California.

In 2013, this legislature made history by passing SCR 32 and California became the first state in the nation to ever recognize a Hindu American Awareness and Appreciation Month. It also subsequently passed SCR 93 to designate October 2014 as Hindu American Awareness and Appreciation Month.

Accordingly, we strongly support ACR 261 to similarly recognize October 2017 as Hindu American awareness and Appreciation Month in order to increase inter-religious and cultural understanding about California's large Hindu American population.

Please feel free to contact me with any questions by phone at 530.320.3287 or by email at esan@hafsite.org.

Sincerely,

*Samir Kalra, Esq.,
Managing Director*

*Easan Katir
California Advocacy Director*

Assembly Concurrent Resolution

No. 265

Introduced by Assembly Member Berman

July 3, 2018

Assembly Concurrent Resolution No. 265—Relative to California Computer Science Education Month.

LEGISLATIVE COUNSEL’S DIGEST

ACR 265, as introduced, Berman. California Computer Science Education Month.

This measure would designate the month of September 2018 as California Computer Science Education Month. The measure would encourage schools, teachers, researchers, universities, business leaders, and policymakers to identify mechanisms for teachers to receive cutting-edge professional development to provide sustainable learning experiences in computer science education, and would encourage the exposure of pupils to computer science concepts. The measure would also encourage opportunities to be provided for females and underrepresented minorities in computer science.

Fiscal committee: no.

- 1 WHEREAS, California Computer Science Education Month
- 2 highlights the crucial role that computer science plays in
- 3 transforming our society, and also highlights how computer science
- 4 enables innovation and creates economic opportunities; and
- 5 WHEREAS, Computing technology is an integral part of modern
- 6 culture, and is transforming how people interact with each other
- 7 and the world around them; and

1 WHEREAS, Computer science builds students' computational,
2 critical thinking, and deeper learning skills, which enables them
3 to understand and create, and not simply use, the next generation
4 of technological tools; and

5 WHEREAS, Computer science is transforming industry,
6 bolstering productivity in established economic sectors, and driving
7 job creation and innovation throughout our state's economy; and

8 WHEREAS, Providing access to computer science education
9 is a critical step for ensuring that California remains competitive
10 in the global economy and strengthens its cybersecurity; and

11 WHEREAS, The outlook for computer science jobs is bright,
12 with over 500,000 open computing positions across the country;
13 and

14 WHEREAS, Participation in high-quality computer science
15 activities exposes students to the rich opportunities the field offers;
16 and

17 WHEREAS, Computing occupations make up two-thirds of all
18 projected new jobs in STEM fields, making computer science one
19 of the most in-demand college majors; and

20 WHEREAS, Computer science education has challenges to
21 address, including counting computer science classes towards high
22 school graduation requirements and providing professional
23 development for computer science teachers; and

24 WHEREAS, There are fewer advanced placement (AP)
25 examinations taken in computer science than in any other STEM
26 subject area; and

27 WHEREAS, The field of computer science has significant equity
28 barriers to address, including attracting more participation by
29 females and underrepresented minorities to all levels and branches;
30 and

31 WHEREAS, Student exposure to computer science at a young
32 age has the potential to address the diversity gap in computer
33 science fields; and

34 WHEREAS, Girls who take an AP computer science course in
35 high school are 10 times more likely to major in computer science
36 in college. African American and Latino pupils who take the course
37 in high school are over seven times more likely to major in
38 computer science in college; and

39 WHEREAS, In September, the State Board of Education will
40 be presented with Computer Science Standards for potential

1 adoption and recommendations for implementation of computer
2 science education across the state's K–12 system developed by
3 the computer science strategic implementation plan panel; and

4 WHEREAS, In September, the Instructional Quality
5 Commission will be presented with a draft computer science
6 strategic implementation plan; now therefore, be it

7 *Resolved by the Assembly of the State of California, the Senate*
8 *thereof concurring*, That the Legislature hereby designates the
9 month of September 2018 as California Computer Science
10 Education Month; and be it further

11 *Resolved*, That the Legislature supports the designation of
12 September 2018 as California Computer Science Education Month;
13 and be it further

14 *Resolved*, That the Legislature encourages schools, teachers,
15 researchers, universities, business leaders, and policymakers to
16 identify mechanisms for teachers to receive cutting-edge
17 professional development to provide sustainable learning
18 experiences in computer science at all educational levels and
19 encourages the exposure of pupils to computer science concepts;
20 and be it further

21 *Resolved*, That the Legislature encourages opportunities,
22 including those provided through existing programs, to be provided
23 for females and underrepresented minorities in computer science;
24 and be it further

25 *Resolved*, That the Chief Clerk of the Assembly transmit copies
26 of this resolution to the author for appropriate distribution.

O

Date of Hearing: August 6, 2018

ASSEMBLY COMMITTEE ON RULES
Ken Cooley, Chair
ACR 265 (Berman) – As Introduced July 3, 2018

SUBJECT: California Computer Science Education Month.

SUMMARY: Designates the month of September 2018 as California Computer Science Education Month and encourages schools, teachers, researchers, universities, business leaders, and policymakers to identify mechanisms for teachers to receive cutting-edge professional development to provide sustainable learning experiences in computer science education. Specifically, **this resolution** makes the following legislative findings:

- 1) California Computer Science Education Month highlights the crucial role that computer science plays in transforming our society, and also highlights how computer science enables innovation and creates economic opportunities.
- 2) Computing technology is an integral part of modern culture, and is transforming how people interact with each other and the world around them.
- 3) Computer science builds students' computational, critical thinking, and deeper learning skills, which enables them to understand and create, and not simply use, the next generation of technological tools.
- 4) Computer science is transforming industry, bolstering productivity in established economic sectors, and driving job creation and innovation throughout our state's economy.
- 5) Providing access to computer science education is a critical step for ensuring that California remains competitive in the global economy and strengthens its cybersecurity. The outlook for computer science jobs is bright, with over 500,000 open computing positions across the country.
- 6) Computing occupations make up two-thirds of all projected new jobs in STEM fields, making computer science one of the most in-demand college majors.
- 7) In September, the State Board of Education will be presented with Computer Science Standards for potential adoption and recommendations for implementation of computer science education across the state's K-12 system developed by the computer science strategic implementation plan panel.

FISCAL EFFECT: None

REGISTERED SUPPORT / OPPOSITION:

Support

Council for a Strong America
Microsoft
Technet

Opposition

None on file

Analysis Prepared by: Nicole Willis / RLS. / (916) 319-2800



July 31, 2018

The Honorable Ken Cooley
Chair, Assembly Rules Committee
State Capitol, Room 3016
Sacramento, CA 95814

Re: Support ACR 265 (Berman) – Designating California Computer Science Education Month

Dear Chair Cooley:

On behalf of over 600 California law enforcement leader, retired military leader, and business leader members of Council for a Strong America and its affiliated organizations, Fight Crime: Invest in Kids, Mission: Readiness, and Ready Nation, we're **proud to support ACR 265 (Berman)**, which would designate September 2018 as California Computer Science Education Month.

Computing technology is an integral part of modern culture, and is transforming how people interact with each other and the world around them. Computer science builds students' computational, critical thinking, and deeper learning skills, which enables them to understand and create, and not simply use, the next generation of technological tools. Further, computer science is transforming industry, bolstering productivity in established economic sectors, and driving job creation and innovation throughout our state's economy. Providing access to computer science education is a critical step for ensuring that California remains competitive in the global economy and strengthens its cybersecurity.

Given upcoming developments on computer science, ACR 265 would designate September 2018 as California Computer Science Education Month. California Computer Science Education Month would highlight the crucial role that computer science plays in transforming our society, and would also highlight how computer science enables innovation and creates economic opportunities while helping students develop career-relevant, real-world 21st Century skills, and keeping them on track to productive lives and away from crime.

This resolution would also encourage schools, teachers, researchers, universities, business leaders, and policymakers to identify mechanisms for teachers to receive cutting-edge professional development to provide sustainable learning experiences in computer science at all educational levels and encourages the exposure of pupils to computer science concepts.

For these reasons, Fight Crime: Invest in Kids, Mission: Readiness, and Ready Nation respectfully **request your support for ACR 265.**

Sincerely,

Brian Lee
California State Director
Fight Crime: Invest in Kids

Jake Ferreira
California State Director
Mission: Readiness

Susan Bonilla
California State Director
Ready Nation

CC: Assemblymember Marc Berman

201 Mission Street / Suite 1200 / San Francisco, CA 94105

StrongNation.org

StrongNationUSA

[Back to Agenda](#)



July 18, 2018

The Honorable Ken Cooley
Chair, Assembly Rules Committee
State Capitol, Room 3013
Sacramento, CA 94814

RE: ACR 265 Support

Dear Chairman Cooley:

At Microsoft, computer science is part of our DNA. It is the very basis of where we started as a company and is what keeps us innovating each and every day. On behalf of Microsoft Corporation, I am writing to support ACR 265 regarding the designation of September as Computer Science Education Month.

The digital age has transformed how people work and live, making computer science and the technologies it enables central to our daily lives. By 2020, an estimated 4.6 million computer-related jobs will be available for those with skills in computer science – jobs that will address such issues as climate change, healthcare provision, and economic development. Despite its leadership in the technology industry, California schools are not equipping enough students with this fundamental skill. There are currently over 75,000 open computing jobs in California but less than 4,100 qualified graduates to fill them. Early exposure to computer science in high school is critical especially for underrepresented minorities. For example, when girls are exposed to computer science in high school, they are ten times more likely to take up the major in college.

To further strengthen access to computer science education, Microsoft is working with federal, state and local education officials to advocate for computer science education. Addressing the gap between skilled computer science graduates and growing computer science job opportunities begins with our education system and legislative action. For this reason, we believe this resolution moves California in the right direction of expanding computer science education.

Microsoft believes the economic future of the state of California is intrinsically linked to the future of computer science education. To expand access to computer science education is to expand economic opportunity for the next generation.

Thank you for considering our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Robyn Hines".

Robyn Hines
California Government Affairs Senior Director



California and the Southwest |
Telephone 916.769.1769
915 L Street, Suite 1270, Sacramento, CA 95814
www.technet.org | @TechNetUpdate

July 29, 2018

The Honorable Ken Cooley
Chair, Assembly Rules Committee
State Capitol, Room 3013
Sacramento, CA 94814

RE: SUPPORT – ACR 265 (Berman): Computer Science Education Month

Dear Chair Cooley,

TechNet, which represents the nation's leading innovative technology companies, is pleased to support ACR 265 (Berman). This measure seeks to designate the month of September as California Computer Science Education month. California Computer Science Education Month would highlight the crucial role that computer science plays in transforming our society, and would also highlight how computer science enables innovation and creates economic opportunities.

Computing technology is an integral part of modern culture, and is transforming how people interact with each other and the world around them. Computer science builds students' computational, critical thinking, and deeper learning skills, which enables them to understand and create, and not simply use, the next generation of technological tools. Further, computer science is transforming industry, bolstering productivity in established economic sectors, and driving job creation and innovation throughout our state's economy. Providing access to computer science education is a critical step for ensuring that California remains competitive in the global economy and strengthens its cybersecurity.

The outlook for computer science jobs is bright, with over 500,000 open computing positions across the country. Computing occupations make up two-thirds of all projected new jobs in STEM fields, making computer science one of the most in-demand college majors. In addition, participation in high-quality computer science activities exposes students to the rich opportunities the field offers.

However, computer science education has challenges to address, including counting computer science classes towards high school graduation requirements and providing professional development for computer science teachers.

Further, the field of computer science has significant equity barriers to address, including attracting more participation by females and underrepresented minorities to all levels and branches. Student exposure to computer science at a young age has the potential to address the diversity gap in computer science fields and the legislature recently acknowledged this by including \$15M in the 2018-2019 Budget for a three-year pilot project for after school coding programs.

In September the State Board of Education will be presented with Computer Science Standards for potential adoption and recommendations for implementation of computer science education across the state's K-12 system developed by the Computer Science Strategic Implementation Plan Panel. Also in September, the Instructional Quality Commission will be presented with a draft computer science strategic implementation plan.

As a proud co-sponsor of AB 2329 (Bonilla), the authorizing legislation for the Computer Science Strategic Implementation Plan Panel, TechNet supports this resolution as it will also encourage schools, teachers, researchers, universities, business leaders, and policymakers to identify mechanisms for teachers to receive cutting-edge professional development to provide sustainable learning experiences in computer science at all educational levels and encourages the exposure of pupils to computer science concepts.

For these important reasons, TechNet is pleased to support ACR 265. If you have any question regarding our position, please do not hesitate to contact me at (916) 769-1769.

Sincerely,



Laura Bennett
Executive Director

cc: The Honorable Marc Berman, CA State Assemblymember

AMENDED IN ASSEMBLY JULY 2, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

House Resolution

No. 116

Introduced by Assembly Member Muratsuchi

June 26, 2018

House Resolution No. 116—Relative to the Civil Liberties Act of 1988.

1 WHEREAS, On August 10, 1988, President Ronald Reagan
2 signed the Civil Liberties Act to compensate more than 120,000
3 Japanese Americans who were incarcerated in America’s
4 concentration camps during World War II; and

5 WHEREAS, The legislation offered the government’s apology
6 and paid out \$20,000 in compensation to each surviving victim;
7 and

8 WHEREAS, Decades after the end of World War II, and inspired
9 by the civil rights movement, the Japanese American Citizens
10 League, the National Council for Japanese American Redress, and
11 the National Coalition for Redress and Reparations responded to
12 the community’s demands for redress and reparations; and

13 WHEREAS, In 1980, the United States Congress responded by
14 establishing a commission to investigate the legacy of the camps
15 and to recommend appropriate remedies; and

16 WHEREAS, The commission conducted extensive interviews
17 and personal testimonies from over 750 victims and concerned
18 citizens; and

19 WHEREAS, In its final report, the commission called the
20 incarceration a “grave injustice” motivated by “racial prejudice,

1 war hysteria, and the failure of political leadership” and
2 recommended monetary compensation; and

3 WHEREAS, Japanese Americans then serving in the United
4 States Congress, including Robert Matsui and Norm Mineta, helped
5 turn that report into legislative language, providing for tax-free
6 compensation and a formal apology with Senators Daniel Inouye
7 and Spark Matsunaga providing critical support for the bill’s
8 passage and funding; and

9 WHEREAS, The Civil Liberties Act of 1988, “Restitution for
10 World War II internment of Japanese Americans and Aleuts,”
11 states that it is intended to, among other things: (1) acknowledge
12 the fundamental injustice of the evacuation, relocation, and
13 internment, (2) apologize on behalf of the people of the United
14 States, and (3) make restitution to those individuals who were
15 victims of this injustice; and

16 WHEREAS, The act also acknowledges the injustices suffered
17 and unreasonable hardships endured by Japanese Americans and
18 the 881 Aleut residents who were under United States control
19 during World War II, including personal and community property
20 taken or destroyed by the United States Armed Forces during the
21 war; and

22 WHEREAS, The act provided for a public education fund to
23 finance efforts to inform the public about the unwarranted
24 incarceration of innocent civilians, so as to prevent the recurrence
25 of any similar event; ~~now, therefore, be it event; and~~

26 *WHEREAS, Thirty years have elapsed since the passage of the*
27 *Civil Liberties Act of 1988; now, therefore, be it*

28 *Resolved by the Assembly of the State of California, That the*
29 *Assembly recognizes and lauds the passage of 30 year anniversary*
30 *of the Civil Liberties Act of 1988 to increase 1988, lauds its*
31 *passage, and encourages public awareness of the events*
32 *surrounding the incarceration of Americans of Japanese ancestry*
33 *and the extensive abuse of the Aleut people during World War II;*
34 *and be it further*

35 *Resolved, That the Chief Clerk of the Assembly transmit copies*
36 *of this resolution to the author for appropriate distribution.*

O

Date of Hearing: August 6, 2018

ASSEMBLY COMMITTEE ON RULES
Ken Cooley, Chair
HR 116 (Muratsuchi) – As Amended July 2, 2018

SUBJECT: The Civil Liberties Act of 1988.

SUMMARY: Recognizes the 30 year anniversary of the Civil Liberties Act of 1988 and encourages public awareness of the events surrounding the incarceration of Americans of Japanese ancestry and the extensive abuse of the Aleut people during World War II. Specifically, **this resolution** makes the following legislative findings:

- 1) Decades after the end of World War II, and inspired by the civil rights movement, the Japanese American Citizens League, the National Council for Japanese American Redress, and the National Coalition for Redress and Reparations responded to the community's demands for redress and reparations.
- 2) In 1980, the United States Congress responded by establishing a commission to investigate the legacy of the camps and to recommend appropriate remedies; and, the commission conducted extensive interviews and personal testimonies from over 750 victims and concerned citizens.
- 3) In its final report, the commission called the incarceration a "grave injustice" motivated by "racial prejudice, war hysteria, and the failure of political leadership" and recommended monetary compensation.
- 4) Japanese Americans then serving in the United States Congress, including Robert Matsui and Norm Mineta, helped turn that report into legislative language, providing for tax-free compensation and a formal apology with Senators Daniel Inouye and Spark Matsunaga providing critical support for the bill's passage and funding.
- 5) On August 10, 1988, President Ronald Reagan signed the Civil Liberties Act to compensate more than 120,000 Japanese Americans who were incarcerated in America's concentration camps during World War II. The legislation offered the government's apology and paid out \$20,000 in compensation to each surviving victim.
- 6) The Civil Liberties Act of 1988, "Restitution for World War II internment of Japanese Americans and Aleuts," states that it is intended to, among other things: (1) acknowledge the fundamental injustice of the evacuation, relocation, and internment, (2) apologize on behalf of the people of the United States, and (3) make restitution to those individuals who were victims of this injustice.
- 7) The act also acknowledges the injustices suffered and unreasonable hardships endured by Japanese Americans and the 881 Aleut residents who were under United States control during World War II, including personal and community property taken or destroyed by the United States Armed Forces during the war.

- 8) The act provided for a public education fund to finance efforts to inform the public about the unwarranted incarceration of innocent civilians, so as to prevent the recurrence of any similar event.

FISCAL EFFECT: None

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Nicole Willis / RLS. / (916) 319-2800

House Resolution

No. 118

**Introduced by Assembly Member Quirk
(Principal coauthors: Assembly Members Chu and Kalra)**

June 26, 2018

House Resolution No. 118—Relative to Muslim American appreciation and awareness month.

- 1 WHEREAS, Freedom of religion holds distinction as a cherished
2 right and a fundamental value upon which the law and ethics of
3 the United States are based; and
4 WHEREAS, Since September 11, 2001, due to the recent surge
5 of overseas and domestic terrorism done under the name of Islam,
6 Muslim Americans in California continue to face harassment,
7 assault, and discrimination; and
8 WHEREAS, Civil rights groups report that between 2015 and
9 2016 there has been an increase in the vandalism at mosques,
10 intimidation, and hate speech targeted at Muslims and Muslim
11 Americans; and
12 WHEREAS, The number of anti-Muslim groups in the United
13 States tripled between 2015 and 2016; and
14 WHEREAS, Enriched by the unparalleled diversity of its
15 residents, the State of California takes great pride in supporting
16 individual religious freedoms and is strengthened by the diverse
17 religious, political, and cultural traditions of its residents, including
18 Americans who practice Islam; and
19 WHEREAS, Approximately one million Muslim Americans
20 currently reside in California, the highest number of any state in
21 the United States; and

1 WHEREAS, This Muslim community is recognized as having
2 made innumerable contributions to the cultural, political, and
3 economic fabric and well-being of California and the United States;
4 and

5 WHEREAS, Muslims have long served in the nation's armed
6 forces and fought in all major United States wars, from the
7 American Revolutionary War to modern conflicts today, with some
8 Muslim Americans making the ultimate sacrifice in combat; and

9 WHEREAS, The first all-women mosque was opened in Los
10 Angeles, California in 2015, creating a safe space for Muslim
11 American women to become empowered and create a network of
12 resources to allow for shared growth and respect among different
13 communities; and

14 WHEREAS, Zaytuna College, located in Berkeley, California,
15 is the first accredited Muslim undergraduate college in the United
16 States; and

17 WHEREAS, California is home to several prominent Muslim
18 figures who continue to make significant contributions to the State
19 of California and the United States as business owners, legal
20 professionals, doctors, engineers, teachers, farmers, and in many
21 other great, notable capacities; and

22 WHEREAS, Dr. Shamim Ibrahim, a Muslim psychologist and
23 counselor with the Los Angeles Unified School District, founded
24 Niswa Association, Inc. in 1990, a nonprofit community-based,
25 social service organization based in Harbor City, California that
26 works toward the well-being of South Asian, Afghan, and Middle
27 Eastern immigrant women; and

28 WHEREAS, Moustapha Akkad, producer of the famous
29 Hollywood horror movie series "Halloween," was a Syrian
30 American immigrant to California, and a student at both the
31 University of California, Los Angeles and the University of
32 Southern California; and

33 WHEREAS, Ahmed Zewail was awarded the Nobel Prize in
34 Chemistry in 1999 and was a professor of chemistry and physics
35 at the California Institute of Technology; and

36 WHEREAS, Dr. Ayub Khan Ommaya invented the Ommaya
37 reservoir that is used to provide chemotherapy directly to the tumor
38 site for brain tumors and was also the leading expert in traumatic
39 brain injuries; and

1 WHEREAS, Ibtihaj Muhammad, a sabre fencer, became the
2 first female Muslim American athlete to earn a medal at the
3 Olympic Games in 2016 and was also the first fencer to wear a
4 hijab; and

5 WHEREAS, Halim Dhanidina was the first Muslim American
6 to be appointed as a judge in California with his appointment to
7 the Los Angeles County Superior Court in 2012; and

8 WHEREAS, University of California, Berkeley student Sadia
9 Saifuddin was appointed as the first Muslim student regent to the
10 Board of Regents of California in 2014; and

11 WHEREAS, Mahershala Ali, born in Oakland and raised in
12 Hayward, California, became the first Muslim American actor to
13 win an Academy Award for his performance in the film
14 “Moonlight” in 2017; and

15 WHEREAS, It is appropriate to acknowledge and promote
16 awareness of the myriad invaluable contributions of Muslim
17 Americans in California and across the country, and extend to
18 them the respect and camaraderie every American deserves; now,
19 therefore, be it

20 *Resolved by the Assembly of the State of California*, That the
21 Assembly joins communities throughout the State of California
22 in recognizing the month of August 2018 as Muslim American
23 Appreciation and Awareness Month; and be it further

24 *Resolved*, That the Chief Clerk of the Assembly transmit copies
25 of this resolution to the author for appropriate distribution.

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Date of Hearing: August 6, 2018

ASSEMBLY COMMITTEE ON RULES
Ken Cooley, Chair
HR 118 (Quirk) – As Proposed to be Amended August 6, 2018

SUBJECT: Muslim American appreciation and awareness month.

SUMMARY: Recognizes the month of August 2018 as Muslim American Appreciation and Awareness Month. Specifically, **this resolution** makes the following legislative findings:

- 1) Freedom of religion holds distinction as a cherished right and a fundamental value upon which the law and ethics of the United States are based. The State of California takes great pride in supporting individual religious freedoms and is strengthened by the diverse religious, political, and cultural traditions of its residents, including Americans who practice Islam.
- 2) Approximately one million Muslim Americans currently reside in California, the highest number of any state in the United States. The Muslim community is recognized as having made innumerable contributions to the cultural, political, and economic fabric and well-being of California and the United States.
- 3) California is home to several prominent Muslim figures who continue to make significant contributions to the State of California and the United States as business owners, legal professionals, doctors, engineers, teachers, farmers, and in many other great, notable capacities.
- 4) Civil rights groups report that there continues to be an increase in the vandalism at mosques, intimidation, and hate speech targeted at Muslims and Muslim Americans.
- 5) It is appropriate to acknowledge and promote awareness of the myriad invaluable contributions of Muslim Americans in California and across the country, and extend to them the respect and camaraderie every American deserves.

FISCAL EFFECT: None

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Nicole Willis / RLS. / (916) 319-2800

AMENDMENTS TO HOUSE RESOLUTION NO. 118

Amendment 1

On page 1, strike out lines 4 to 7, inclusive

Amendment 2

On page 1, in lines 8 and 9, strike out “between 2015 and 2016”

Amendment 3

On page 1, in line 9, strike out “has been” and insert:

continues to be

Amendment 4

On page 3, in line 7, after “2012” insert:

and in 2018, his appointment to the Second District Court of Appeal would make him the first Muslim American justice in the history of the California Courts of Appeal

Amendment 5

On page 3, between lines 14 and 15, insert:

WHEREAS, Aziz Akbari became the youngest Muslim American to be elected into office in the United States when he won a seat on the Board of Directors of the Alameda County Water District; and

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RN1816957

AMENDED IN SENATE MAY 23, 2018

Senate Concurrent Resolution

No. 135

**Introduced by Senator Cannella
(Coauthor: Senator Atkins)**

April 25, 2018

Senate Concurrent Resolution No. 135—Relative to Portugal Day.

LEGISLATIVE COUNSEL'S DIGEST

SCR 135, as amended, Cannella. Portugal Day.

This measure would declare June 10, 2018, as Portugal Day to celebrate Portuguese national heritage.

Fiscal committee: no.

1 WHEREAS, In September 1542, Portuguese explorer João
2 Rodrigues Cabrillo sailed a ship into San Diego Bay, becoming
3 the first European to explore the land now known as California.
4 Cabrillo's efforts included exploring the California coast, and he
5 is credited with numerous coastal discoveries; and

6 WHEREAS, Portuguese immigrants began arriving in the United
7 States in relatively large numbers beginning in 1870, with most
8 of these immigrants being men from the Azores, who, for the most
9 part, had been recruited to farm and to work on American whaling
10 ships; and

11 WHEREAS, Between 1900 and 1940, as much as one-half of
12 the Portuguese community in California owned or operated a dairy
13 farm, worked on a dairy farm, or worked in a dairy-supporting
14 industry. Applying the Portuguese belief in hard work and
15 thriftiness, these pioneering Portuguese Americans were renowned

1 for their work ethic and ingenuity, often reinvesting in their own
2 businesses by buying more land and dairy cows; and

3 WHEREAS, Among the great Portuguese Americans who have
4 contributed significantly to this country are: composer John Philip
5 Sousa, best known for composing “The Stars and Stripes Forever”;
6 poet Emma Lazarus, best known for her sonnet about the Statue
7 of Liberty, “The New Colossus”; architect William L. Pereira, best
8 known for designing the Transamerica Pyramid in San Francisco;
9 and singer and actress Carmen Miranda. Many Portuguese
10 Americans have also served with distinction in local, state, and
11 federal office; and

12 WHEREAS, Portuguese Americans have made valuable and
13 substantial contributions to every facet of California life, such as
14 within the thriving agricultural communities of the Santa Clara
15 and San Joaquin Valleys and through service in local, state, and
16 federal office. Today over 350,000 Portuguese Americans reside
17 in California; and

18 WHEREAS, Portuguese national literary icon Luís Vaz de
19 Camões wrote Portugal’s national epic poem, *Os Lusíadas*,
20 celebrating the 15th-century Portuguese explorations that brought
21 fame and fortune to the country. The poem, considered one of the
22 finest and most important works in Portuguese literature, became
23 a symbol for the great feats of the Portuguese Empire; and

24 WHEREAS, *Dia de Portugal, de Camões e das Comunidades*
25 *Portuguesas*, translated as “Day of Portugal, Camões, and the
26 Portuguese Communities,” commemorates the death of Luís Vaz
27 de Camões on June 10, 1580; ~~now, therefore, be it and~~

28 WHEREAS, *His Excellency Antonio Costa, the Prime Minister*
29 *of Portugal, will be visiting the State of California from June 11*
30 *to June 14, inclusive, in the framework of a visit to the United*
31 *States with the main purpose of celebrating Portuguese Day, June*
32 *10, with the Portuguese-American communities in the United*
33 *States; and*

34 WHEREAS, *The remainder of the Prime Minister’s visit will*
35 *focus on the opportunities for trade, investment, and economic*
36 *cooperation between Portugal and the State of California; and*

37 WHEREAS, *On June 14, at the State Capitol, the Prime Minister*
38 *of Portugal will be introduced to the Senate Chamber, where he*
39 *will make an address; now, therefore, be it*

1 *Resolved by the Senate of the State of California, the Assembly*
2 *thereof concurring*, That the Legislature hereby declares June 10,
3 2018, as Portugal Day, a day to celebrate Portuguese national
4 heritage; and be it further
5 *Resolved*, That the Secretary of the Senate transmit copies of
6 this resolution to the author for appropriate distribution.

O

AMENDED IN ASSEMBLY JUNE 21, 2018
AMENDED IN ASSEMBLY JUNE 13, 2018
AMENDED IN ASSEMBLY SEPTEMBER 6, 2017
AMENDED IN ASSEMBLY JUNE 27, 2017
AMENDED IN ASSEMBLY JUNE 12, 2017
AMENDED IN SENATE APRIL 17, 2017
AMENDED IN SENATE APRIL 17, 2017
AMENDED IN SENATE MARCH 27, 2017

SENATE BILL

No. 551

Introduced by Senator Hueso

February 16, 2017

An act to amend Sections ~~63089.1 and 63089.4~~ 63089.1, 63089.4, 63089.5, and 63089.98 of, to add Sections ~~63089.642, 63089.644, 63089.646~~ 63089.642 and 63089.644 to, and to add Article 12 (commencing with Section 63090) and Article 13 (commencing with Section 63095) to, Chapter 6 of Division 1 of Title 6.7 of, the Government Code, relating to the Capital Access Loan Program and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 551, as amended, Hueso. Capital Access Loan Program for Small Businesses.

Existing law establishes the Capital Access Loan Program for Small Businesses, which is administered by the California Pollution Control Financing Authority, to assist qualifying small businesses in financing

the costs of complying with environmental mandates and the remediation of contamination on their properties. Under the program, the authority may enter into contracts with participating financial institutions and is required to establish a loss reserve account with participating financial institutions. Existing law authorizes a participating financial institution that experiences a default on a qualified loan enrolled in the Capital Access Loan Program to obtain reimbursement from the authority by submitting a claim for reimbursement for a specified amount of the loss covered by that loan, subject to certain procedures.

Existing law also establishes other capital access loan programs that are administered by the authority, including the California Americans with Disabilities Small Business Capital Access Loan Program and the California Seismic Safety Capital Access Loan Program.

Under the Small Business Financial Assistance Act of 2013, the California Infrastructure and Economic Development Bank, within the Governor's Office of Business and Economic Development, administers specific programs relating to small business, either administered directly by the bank or under contract with small business financial development corporations. Existing law establishes within the bank the California Small Business Finance Center and authorizes the center to administer programs to assist businesses seeking new capital resources under the Small Business Financial Assistance Act of 2013, and establishes other related provisions. *The act establishes the program manager as the manager of the California Small Business Finance Center, and requires each small business financial development corporation formed pursuant to the act to submit specified information to the program manager related to their activities. Existing law requires the program manager, no later than January 1 of each year, to prepare and submit to the Governor and the Legislature a report for the preceding fiscal year ending June 30 containing the financial product activity of each small business financial development corporation formed. Existing law establishes the Small Business Expansion Fund in the State Treasury, and continuously appropriates specified moneys into the fund for purposes related to the Small Business Financial Assistance Act of 2013.*

This bill would create the ~~Capital Access Reserve Fund in the State Treasury~~ *Loan Loss Reserve Account in the California Small Business Expansion Fund* to be under the administrative and management control of the California Small Business Finance Center within the ~~bank~~. *bank,* and would continuously appropriate all moneys deposited into the

account to the center for purposes of the Small Business Financial Assistance Act of 2013. By establishing a continuously appropriated fund, this bill would make an appropriation. The bill would require that the fund account be established and maintained by the bank for the benefit of qualified financial companies or financial institutions participating in one or more programs or the provisions of services as a lender in the loan loss reserve program or another program authorized pursuant to Small Business Financial Assistance Act of 2013. The bill would authorize funds to be held the program to hold funds in the loan loss reserve account in a financial institutions and companies institution or company that establish trust funds, establishes a trust fund, as specified. The bill would specify the purposes for which funds may be used. The bill would prescribe a process for the transfer of specified moneys, including those from the General Fund, held by the California Pollution Control Financing Authority to the Capital Access Reserve Fund. The bill would provide that moneys in the fund are continuously appropriated. By creating a continuously appropriated fund and providing for its funding, this bill would make an appropriation. The bill would authorize the creation of require the bank to create holding accounts and loss reserve accounts and would prescribe the purposes for which they may be used. The bill would require the bank to provide reports in the Legislature in this regard.

The bill would create the Capital Access Loan Program for Small Businesses, a loan loss reserve program, California Loan Loss Reserve Program for Small Business, a loan loss reserve and credit enhancement program, within the Small Business Financial Assistance Act of 2013. The bill would provide for the transfer of the loss reserve loan portfolio of the California Capital Access Loan Program, administered by the California Pollution Control Financing Authority, to the bank California Small Business Finance Center for purposes of the California Loan Loss Reserve Program for Small Business, pursuant to a specified process. The bill would authorize the bank to contract with a qualified financial company or financial institution to participate as a lender in the program program, and would state a specified priority for loans to be enrolled. The bill would require the bank to develop directives and requirements to implement the program. The bill would provide for the maintenance of regulations adopted by the California Pollution Control Financing Authority in connection with the management and control of loan loss reserve funds, as specified. The bill would prescribe a process pursuant to which a financial company or institution

participating as a lender may withdraw from the program. The bill would also provide for the transfer of the collateral support loan portfolio of the California Capital Access Loan Program, administered by the California Pollution Control Financing Authority, to the bank pursuant to a specified process. The bill would make conforming and technical changes.

The bill would modify the requirements of the annual report described above by requiring the program manager to include in its annual report the financial product activity of each financial institution or company that participates in the loan loss reserve program specified information, and would require the program manager, for one year following the creation of the loan loss reserve program, to prepare and submit to the Governor and the Legislature a semi-annual progress report relating to the transfer of the loan loss reserve program from the California Pollution Control Financing Authority to the California Small Business Finance Center at the bank.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares as follows:
- 2 (a) In October 2010, Congress passed and the President signed
- 3 the Small Business Jobs Act. Among other things, the act created
- 4 the State Small Business Credit Initiative (SSBCI), which allowed
- 5 expenditures up to \$1.5 billion for state sponsored small business
- 6 finance programs. California utilized its federal small business
- 7 grant money to capitalize the Small Business Loan Guarantee
- 8 Program at the I-Bank's Small Business Finance Center, and the
- 9 California Capital Access Program (CalCAP) loan loss reserve
- 10 program and a collateral support program administered through
- 11 the California Pollution Control Financing Authority (CPCFA).
- 12 *to strengthen state programs that support financing of small*
- 13 *businesses.*
- 14 (b) ~~In February 2011, the California Pollution Control Financing~~
- 15 ~~Authority was awarded approximately eighty-four million dollars~~
- 16 ~~(\$84,000,000) pursuant to the State Small Business Credit Initiative~~
- 17 ~~(Chapter 54 (commencing with Section 5701) of Title 12 of the~~
- 18 ~~United States Code) for use by the authority in its California~~

~~Capital Access Program for Small Businesses and the California Capital Access Collateral Support program.~~

(b) In April 2011, California entered into an allocation agreement with the United States Treasury for approximately one hundred and sixty-eight million dollars (\$168,000,000) pursuant to the State Small Business Credit Initiative (Chapter 54 (commencing with Section 5701) of Title 12 of the United States Code). The federal funds were divided evenly between the administering entities for two state credit enhancement programs with eighty-four million dollars (\$84,000,000) being allocated to the California Pollution Control Financing Authority (CPCFA) to establish a federally funded component to the California Capital Access Program (CalCAP) loan loss reserve program and the other half of the state allocation being allocated to the Business, Consumer Services, and Housing Agency to support a federally funded component of the Small Business Loan Guarantee Program.

(c) On April 25, 2017, the Treasurer’s office alerted the public and interested stakeholders that the federal moneys allocated to California to support the California Capital Access Loan Program (CalCAP) for Small Business were near exhaustion. In addition, the notice stated that when the federal moneys are exhausted, the authority will continue to review and approve pending loan applications. For those which are approved, CPCFA will make contributions from the balance remaining from the 2010 General Fund appropriation under the Assembly Bill 1632 of the 2009–10 Regular Session for deposit into each lender’s CalCAP State Loan Loss Reserve Account.

(d) Finally, the notice stated that the authority staff “projects that the balance of the General Fund appropriation will support all current loan enrollment applications in the CPCFA’s possession. However, we also anticipate that these State program funds will be exhausted in the Summer 2017, at which point the CPCFA will no longer be able to enroll loans in the CalCAP for Small Business Program.”

(e) Although the authority has adopted regulations to recapture some funds it has previously contributed to CalCAP for use in the Small Business CalCAP, there remains a significant risk that the authority may elect to permanently modify the California Capital Access Loan Program for Small Businesses to focus more intently on lending programs for pollution control financing projects, a

1 change in direction that would be more consistent with its
2 namesake and its enabling statutes. ~~Earlier in this session of the~~
3 ~~Legislature, the authority took action consistent with this apparent~~
4 ~~plan by amending Assembly Bill 964 (Calderon), a bill that is~~
5 ~~sponsored by the authority. On May 30, 2017, Assembly Bill 964~~
6 ~~was amended in the Senate, to remove “for Small Businesses”~~
7 ~~from the title of the Capital Access Loan Program to read “Capital~~
8 ~~Access Loan Program.”~~

9 (f) Without direction from the Legislature, a distinct possibility
10 exists that federal funds that were allocated for the purpose of
11 assisting small businesses might be redirected to support programs
12 separate and apart from small business assistance, which runs
13 counter to the intent set forth in the federal Small Business Jobs
14 Act of 2010.

15 (g) In 2013, years after funding was distributed in California
16 from the State Small Business Credit Initiative, the Legislature
17 enacted Assembly Bill 1247 (Medina and Bocanegra) of the
18 2013–14 Regular Session, which created the Small Business
19 Finance Center (SBFC) at the California Infrastructure and
20 Economic Development Bank. The SBFC helps businesses create
21 and retain jobs, and encourages investment in low- to
22 moderate-income communities. The finance center operates a
23 Small Business Loan Guarantee Program, and provides technical
24 assistance to small businesses and microbusinesses. In 2017, the
25 SBFC created the Jump Start Loan Program which provides direct
26 loans from \$500 to \$10,000 to small businesses in low-wealth
27 communities.

28 (h) The SBFC and the California Infrastructure and Economic
29 Development Bank are organized within the Governor’s Office of
30 Business and Economic Development (GO-Biz), which was created
31 in 2012 to serve as California’s single point of contact for economic
32 development and job creation efforts.

33 (i) (1) The Legislature declares that it is appropriate, as program
34 funding expires, or that the funds have been fully ~~disbursed,~~
35 ~~expended or allocated,~~ that the portfolio of the Capital Access
36 Loan Program for Small Businesses and the portfolio of the
37 Collateral Support program be transferred from the CPCFA to the
38 California Small Business Finance Center within the California
39 Infrastructure and Economic Development Bank.

(2) The Legislature declares that all federal and state funds, the source of which was the federal Small Business Jobs Act or the 2010 General Fund appropriation under Assembly Bill 1632 of the 2009–10 Regular Session (Chapter 731 of the Statutes of 2010) including funds that have been returned to or recaptured by the CPCFA and currently under its control, be transferred to the ~~Capital Access Reserve Fund~~ *California Small Business Expansion Fund*. and be under the administrative control of the California Small Business Finance Center at the California Infrastructure and Economic Development Bank.

~~(3) It is intent the Legislature that nothing in this act impede the ability of the CPCFA to operate the California Capital Access Program with other program funds, as well as administering the California Americans with Disabilities Small Business Capital Access Loan Program established in Section 44559.13 of the Health and Safety Code and the California Seismic Safety Capital Access Loan Program established in Section 44559.14 of the Health and Safety Code.~~

(3) The Legislature declares that while originally CalCAP included only one program, over the years other programs were added to CalCAP, including the California Air Resources Board On-Road Heavy-Duty Vehicle Air Quality Loan Program and Electric Vehicle Charging Station Financing Program separately funded by the State Air Resources Board; the California Americans with Disabilities Act Small Business Capitol Access Loan Program established in Section 44559.13 of the Health and Safety Code and funded with ten million dollars (\$10,000,000) from the General Fund; and the California Seismic Safety Capitol Access Loan Program established in Section 44559.14 of the Health and Safety Code and funded with ten million dollars (\$10,000,000) from the General Fund. It is the intent the Legislature that nothing in this act impede the ability of the CPCFA to operate those and other programs.

SEC. 2. Section 63089.1 of the Government Code is amended to read:

63089.1. (a) The program manager acting under the ~~guidance~~ *direction* of the executive director shall do all of the following:

(1) Administer this chapter.

(2) (A) Enter into a contract between the bank and each corporation for services to be provided by the corporations for one

1 or more programs or financial products under this chapter and
2 Chapter 1 (commencing with Section 14000) of Part 5 of Division
3 3 of Title 1 of the Corporations Code.

4 (B) Enter into a contract between the bank and any *qualified*
5 financial institution or financial company ~~in connection with one~~
6 ~~or more programs or financial products~~ *participating as lender in*
7 *the loan loss reserve program* under this chapter.-

8 (3) In accordance with available resources, allow the use of
9 branch offices for the purposes of making these programs under
10 this chapter accessible to all areas of the state.

11 (4) Require each corporation to submit an annual written plan
12 of operation.

13 (5) Authorize the distribution, transfer, leverage, and
14 withholding of moneys in the expansion fund and trust funds.

15 (6) Authorize the investment of expansion and trust fund
16 moneys.

17 (7) Oversee the operations of one or more programs authorized
18 pursuant to this chapter and by Section 8684.2.

19 (8) Act as liaison between corporations, other state and federal
20 agencies, lenders, and the Legislature.

21 (9) Act as secretary to the California Small Business Board, and
22 attend meetings of the California Small Business Board and the
23 bank board.

24 (b) The program manager may attend and participate at
25 corporation meetings. The program manager or his or her designee
26 shall be an ex officio, nonvoting representative on the board of
27 directors and loan committees of each corporation. The program
28 manager shall confer with the board of directors of each corporation
29 as appropriate and necessary to carry out his or her duties, but in
30 no case shall the program manager confer less than once each fiscal
31 year.

32 (c) In accordance with available resources, assist corporations
33 in applying for public and private funding opportunities, and in
34 obtaining program support from the business community.

35 SEC. 3. Section 63089.4 of the Government Code is amended
36 to read:

37 63089.4. The bank is authorized to:

38 (a) Approve new corporations recommended by the program
39 manager.

1 (b) Enter into contracts with ~~corporations, financial institutions,~~
2 ~~or financial companies~~ *corporations* for program management and
3 other financial product-related services.

4 (c) *Enter into contracts with any financial institution or financial*
5 *company for the purpose of participating as a lender in a loss*
6 *reserve program or another program authorized under this*
7 *chapter.*

8 ~~(e)~~

9 (d) Select a financial institution or financial company to act as
10 trustee of the trust fund as specified in this chapter.

11 ~~(d)~~

12 (e) Invest expansion fund, ~~capital access reserve fund,~~ *fund* and
13 trust fund moneys as specified in this chapter.

14 ~~(e)~~

15 (f) Affirm, modify, or rescind the determinations of the program
16 manager and the executive director as specified in this chapter.

17 ~~(f)~~

18 (g) Adopt directives and requirements as specified in this
19 chapter.

20 ~~(g)~~

21 (h) Authorize new financial product programs and activities
22 pursuant to this chapter.

23 *SEC. 4. Section 63089.5 of the Government Code is amended*
24 *to read:*

25 63089.5. (a) There is hereby continued in existence in the State
26 Treasury the California Small Business Expansion Fund. All or a
27 portion of the funds in the expansion fund may be paid out, with
28 the approval of the Department of Finance, to a financial institution
29 or financial company that will establish a trust fund and act as
30 trustee of the funds.

31 (b) The expansion fund and the trust fund shall be used for the
32 following purposes:

33 (1) To pay defaulted loan guarantee or surety bond losses, *loan*
34 *loss reserves*, or other financial product defaults or losses.

35 (2) To fund direct ~~loans~~ *loans*, *loan loss reserves*, and other
36 debt instruments.

37 (3) To pay administrative costs of corporations.

38 (4) To pay state support and administrative costs.

39 (5) To pay those costs necessary to protect a real property
40 interest in a financial product default.

(c) The expansion fund and trust fund are created solely for the purpose of receiving state, federal, or local government moneys, and other public or private moneys to make loans, guarantees, and other financial products that the California Small Business Finance Center or a financial development corporation is authorized to provide. The program manager shall provide written notice to the Joint Legislative Budget Committee and to the Chief Clerk of the Assembly and the Secretary of the Senate who shall provide a copy of the notice to the relevant policy committees within 10 days of any nonstate funds being deposited in the expansion fund. The notice shall include the source, purpose, timeliness, and other relevant information as determined by the bank board.

(d) (1) One or more accounts in the expansion fund and the trust fund may be created by the program manager for corporations participating in one or more programs authorized under this chapter and Section 8684.2. Each account is a legally separate account, and shall not be used to satisfy loan guarantees or other financial product obligations of another corporation except when the expansion fund or trust fund is shared by multiple corporations.

(2) The program manager may create one or more holding accounts in the expansion fund or the trust fund, or in both, to accommodate the temporary or permanent transfers of funds pursuant to Section 63089.3.

(e) The amount of guarantee liability outstanding at any one time shall not exceed 10 times the amount of funds on deposit in the expansion fund plus any receivables due from funds loaned from the expansion fund to another fund in state government as directed by the Department of Finance pursuant to a statute enacted by the Legislature, including each of the trust fund accounts within the trust fund.

~~SEC. 4.~~

SEC. 5. Section 63089.642 is added to the Government Code, immediately following Section 63089.62, to read:

63089.642. (a) (1) There is hereby created in the ~~State Treasury the Capital Access Reserve Fund~~ *expansion fund the Loan Loss Reserve Account* under the administrative and management control of the California Small Business Finance Center within the bank. *Notwithstanding Section 13340 of the Government Code, all moneys in the account are hereby continuously appropriated, without regard to fiscal years, for*

purposes of this chapter. The fund Loan Loss Reserve Account shall be established and maintained by the bank for the benefit of any qualified financial companies or financial institutions company or financial institution participating in one or more programs or providing services as a lender in the loan loss reserve program or another program authorized pursuant to this chapter.

(2) The bank board program manager, under the direction of the executive director, may elect to hold all or a portion of the fund Loan Loss Reserve Account in a financial institution or financial company that establishes a trust fund and acts as trustee for the funds. The financial institution or financial company so designated shall be approved by the Treasurer for the receipt of state funds. Interest earned on a trust fund in financial institutions and financial companies may be utilized by the financial institution, financial company, and the bank pursuant to the purposes of this chapter and subject to the directives and requirements and directives adopted by the bank board.

(3) The funds in the Capital Access Reserve Fund shall be paid out to a trust fund by the Treasurer on funds drawn by the Controller and requisitioned by the bank.

(b) Capital Access Reserve Fund shall be used for the following purposes:

(1) To fund financial products authorized pursuant to this chapter.

(2) To pay defaults directly related to financial products authorized pursuant to this chapter.

(3) To pay administrative costs of financial institutions and financial companies, pursuant to the directives and requirements adopted by the bank board.

(4) To pay state support, information technology, and administrative costs related to programs and services authorized pursuant to this chapter.

(5) To pay those costs necessary to protect a real property interest in a financial product default.

(c) (1) The Capital Access Reserve Fund is created for the purpose of receiving state, federal, or local government moneys, and other public or private moneys to make loans, credit enhancements, and other financial products that the California Small Business Finance Center is authorized to provide or manage pursuant to this chapter.

~~(2) The bank shall provide written notice to the Joint Legislative Budget Committee, the Chief Clerk of the Assembly, and the Secretary of the Senate, who shall provide a copy of the notice to the relevant policy committees within 10 days of any nonstate funds being deposited in the Capital Access Reserve fund. The notice shall include the source, purpose, timeliness, and other relevant information as determined by the bank board.~~

~~(3)(A)~~

~~(b) (1) All federal and state funds, the source of which was the federal Small Business Jobs Act or the 2010 General Fund appropriation under Assembly Bill 1632 of the 2009–10 Regular Session, Chapter 731 of the Statutes of 2010, including funds that have been returned to or recaptured by the CPCFA and currently under its control, in the Pollution Control Financing Authority Fund shall be transferred to the Capital Access Reserve Fund Loan Loss Reserve Account and be under the administrative control of the California Small Business Finance Center.~~

~~(B)~~

~~(2) To initiate the transfer of the funds, the bank board shall adopt a resolution that provides for the terms and conditions of the transfer. The bank may shall confer with the California Pollution Control Financing Authority on the terms and conditions of the resolution. The California Pollution Control Financing Authority shall provide requested information in a timely manner. Upon adoption of the resolution by the bank board, the California Pollution Control Financing Authority shall transfer the moneys.~~

~~(4)~~

~~(c) The final transfer of the funds shall occur no later than January 1, 2020.~~

~~(d) The Small Business Finance Center shall manage all moneys in Capital Access Reserve Fund. Interest or income earned on moneys shall be deemed to be part of the fund and used solely for programs, services, and actions authorized pursuant to this chapter.~~

~~(e) (1) Pursuant to the directives and requirements adopted in this chapter, the state has a residual interest in the funds deposited in the trust fund, including any individual accounts, and to the return on these funds from investment. On dissolution, suspension, or termination of an agreement related to a program or service authorized pursuant to this chapter, these funds shall be withdrawn from the applicable account and returned to the Capitol Access~~

1 ~~Reserve Fund or temporarily transferred to another trust fund~~
2 ~~account. This provision shall be contained in relevant trust~~
3 ~~instructions to a trustee.~~

4 ~~(2) For the purposes of paragraph (1), the bank may create one~~
5 ~~or more holding accounts in the Capital Access Reserve Fund, to~~
6 ~~accommodate the temporary or permanent transfer of funds~~
7 ~~pursuant to requirements and directives adopted by the bank board~~
8 ~~relating to the suspension and termination of a financial institution~~
9 ~~or financial company's participation in a program or offering a~~
10 ~~service authorized under this chapter.~~

11 ~~(f) All money in the Capital Access Reserve Fund is hereby~~
12 ~~continuously appropriated without regard to fiscal years, for the~~
13 ~~purposes of this chapter.~~

14 ~~(g) The state or the bank shall not be liable or obligated in any~~
15 ~~way beyond the money that is allocated in the Capital Access~~
16 ~~Reserve Fund for these purposes.~~

17 ~~SEC. 5.~~

18 *SEC. 6. Section 63089.644 is added to the Government Code,*
19 *immediately following Section 63089.642, to read:*

20 *63089.644. (a) ~~The bank may program manager, under the~~*
21 *~~direction of the executive director, shall create one or more loan~~*
22 *~~loss reserve accounts in the Capital Access Reserve Fund or a trust~~*
23 *~~fund for a financial institution and or financial company~~*
24 *~~participating in the Capital Access Loan Program for Small~~*
25 *~~Businesses; as a lender in the loan loss reserve program.~~*

26 ~~Funding in the account~~

27 *(b) The loan loss reserve account established for the purposes*
28 *of this section shall be used for the purposes of the following:*

29 *(1) Depositing all ~~required~~ fees paid by the financial company*
30 *~~or financial institution, and institution participating as a lender in~~*
31 *~~the loan loss reserve fund, the small-business; business, and any~~*
32 *~~other moneys provided by the bank or other source.~~*

33 *(2) Depositing contributions made by the state and, if applicable,*
34 *the federal government or other sources.*

35 *(3) Covering losses on enrolled loans under the loan loss reserve*
36 *program, sustained by a financial company or financial institution*
37 *by disbursing funds accumulated in the loss reserve ~~account.~~*
38 *~~account in accordance with directives and requirements.~~*

39 ~~(b) The bank~~

1 (c) (1) All moneys in a loan loss reserve account established
2 pursuant to this section are the exclusive property of, and solely
3 controlled by, the bank. The bank program manager, under the
4 direction of the executive director, shall manage all moneys in a
5 loan loss reserve account established pursuant to this section.

6 Interest or income earned on money credited to the loan loss
7 reserve account shall be deemed to be part of the loan loss reserve
8 account. The bank program manager, under the direction of the
9 executive director, may withdraw from the loan loss reserve
10 account all, or a portion, of the interest or other income that has
11 been credited to the account.

12 (2) Any withdrawal made pursuant to this subdivision may be
13 made before paying any claim and shall be used for the sole
14 purpose of offsetting costs associated with carrying out the
15 program, including administrative costs and loss reserve account
16 contributions.

17 (e)

18 (d) For purposes of this section, the bank program manager,
19 under the direction of the executive director, may create one or
20 more holding accounts in the Capital Access Reserve Fund loan
21 loss reserve account or trust account to accommodate the
22 temporary or permanent transfer of funds pursuant to directives
23 and requirements and directives adopted by the bank board relating
24 to the suspension and termination of a financial institution
25 institution's or financial company's participation in a as a lender
26 in the loan loss reserve program or offering a service of a financial
27 product authorized under this chapter.

28 SEC. 6. Section 63089.646 is added to the Government Code,
29 to read:

30 63089.646. (a) The bank shall provide the a progress report
31 to the Legislature on the implementation of the transfer of funds
32 and loan portfolios pursuant to Sections 63089.642, 63090, and
33 63091.

34 (b) The progress report shall be in the form of a letter submitted
35 to the relevant policy and fiscal committees every six months, and
36 the first letter shall be submitted no later than July 1, 2019, and
37 the last letter shall be submitted and received no later than July 1,
38 2020.

39 (c) The report required by this section shall be submitted in
40 compliance with Section 9795.

1 *SEC. 7. Section 63089.98 of the Government Code is amended*
2 *to read:*

3 63089.98. (a) Annually, not later than January 1 of each year
4 commencing January 1, 2014, and notwithstanding Section
5 10231.5, the program manager shall prepare and submit to the
6 Governor and the Legislature, pursuant to Section 9795, a report
7 for the preceding fiscal year ending June 30, containing the
8 expansion fund and trust fund financial product activity of each
9 ~~corporation~~, *corporation administering any direct loans, guarantee,*
10 *or other financial product and each financial institution and*
11 *financial company participating as a lender in the loan loss reserve*
12 *program or another financial product, including all of the*
13 *following:*

14 (1) Direct loans, guarantees, *loss reserves*, and other financial
15 products awarded and outstanding balances.

16 (2) Default and loss statistics.

17 (3) Employment data.

18 (4) Ethnicity and gender data of participating contractors and
19 other entities, and experience of surety insurer participants in the
20 bond guarantee program.

21 (5) Geographic distribution by city and county of the direct
22 loans, guarantees, and other financial products awarded and
23 outstanding at the close of the fiscal year.

24 (6) Significant events.

25 **(b)** *Semi-annually, the program manager shall prepare and*
26 *submit to the Governor and the Legislature, pursuant to Section*
27 *9795, a progress report for the preceding six months, commencing*
28 *with the first six months after the transfer of the loan loss reserve*
29 *program from the California Pollution Control Financing Authority*
30 *to the California Small Business Finance Center at the bank. The*
31 *progress report shall be submitted by the program manager within*
32 *90 days of each six month anniversary. No progress report shall*
33 *be required after the first year following the creation of the loan*
34 *loss reserve program under the California Small Business Finance*
35 *Center, and the program manager shall include the loan loss*
36 *reserve program in the annual report pursuant to subdivision (a).*

37 ~~(b)~~

38 (c) The program manager shall post the report on the bank's
39 Internet Web site.

1 ~~SEC. 7.~~

2 SEC. 8. Article 12 (commencing with Section 63090) is added
3 to Chapter 6 of Division 1 of Title 6.7 of the Government Code,
4 to read:

5
6 Article 12. Loan Loss Reserves
7

8 63090. (a) ~~The Capital Access Loan Program for Small~~
9 ~~Businesses, a loan loss reserve program, California Loan Loss~~
10 ~~Reserve Program for Small Business, a loan loss reserve and credit~~
11 ~~enhancement program,~~ is hereby established under the
12 administrative *and management* control of the California Small
13 Business Finance Center.

14 (b) (1) The loss reserve loan portfolio of the California Capital
15 Access Loan Program, administered by the California Pollution
16 Control Financing Authority pursuant to Article 8 (commencing
17 with Section 44559) of Chapter 1 of Division 27 of the Health and
18 Safety Code comprised of enrolled loans for which the state
19 contributed funding pursuant to the 2010 General Fund
20 appropriation under the Assembly Bill 1632 of the 2009–10
21 Regular Session, Chapter 731 of the Statutes of 2010, or federal
22 funds awarded to the state pursuant to the State Small Business
23 Credit Initiative (Chapter 54 (commencing with Section 5701) of
24 Title 12 of the United States Code) shall be transferred to ~~bank~~.
25 *the California Small Business Finance Center in the Bank for the*
26 *California Loan Loss Reserve Program for Small Business.*

27 (2) To initiate the transfer of the portfolio, the bank board shall
28 adopt a resolution which provides for the terms and conditions of
29 the transfer. The bank ~~may~~ *shall* confer with the California
30 Pollution Control Financing Authority on the terms and conditions
31 of the resolution. The California Pollution Control Financing
32 Authority shall provide requested information in a timely manner.
33 Upon the adoption of the resolution, the California Pollution
34 Control Financing Authority shall transfer the portfolio.

35 (3) The transfer of the portfolio shall occur no later than January
36 1, 2020.

37 (c) ~~The bank program~~ may contract with any *qualified* financial
38 company or financial institution for the purpose of allowing the
39 financial company or institution to participate in the ~~Capital Access~~

~~Loan Program for Small Businesses, as a lender in the California~~
~~Loan Loss Reserve Program for Small Business.~~

(d) The priority for loans enrolled in this program shall be for loans and microloans that benefit ~~low-income, minority,~~ *low-income areas of the state, based on census tracts, and underserved business ownership groups, including minority-owned businesses* and women-owned businesses in the state.

(e) The bank shall develop directives and requirements to implement the ~~Capital Access Loan Program for Small Businesses~~ *California Loan Loss Reserve Program for Small Business* established by this article, including, but not limited to:

(1) The initiation of new and extension of existing ~~agreements~~ *contracts* to participate in the program.

(2) The filing of claims for reimbursement for losses incurred as a result of qualified loan defaults.

(3) The terms and conditions for a financial company or financial institution to assign, transfer, pledge or securitize all or a portion of any enrolled loan or loss reserve account, pursuant to directives and requirements developed by the bank.

(4) The terms and conditions by which the program manager may temporarily suspend and terminate a contract with a financial institution or financial company *participating in the loan loss reserve program* for cause, including provisions for appeals.

~~(5) Annual reporting requirements on the use and outcomes of the program.~~

(f) The liability of the state and the bank to the financial institution and financial company under contract is limited to the amount of money credited to the *loan* loss reserve account of the financial institution and financial company under contract.

63091. Regulations adopted by the California Pollution Control Financing Authority, pursuant to Article 8 (commencing with Section 44559) of Chapter 1 of Division 27 of the Health and Safety Code relating to the management and control of loan loss reserve funds and claims processing on all loans granted to a qualified small business, as described in Section 44559.16 of the Health and Safety Code and the regulations dated May 15, 2012, approving the development and implementation of a collateral support program, and all subsequent resolutions and regulations adopted by the authority updating or modifying the program shall remain in effect until the bank board adopts directives and

requirements relating to the specific policy or activity, but in no case beyond ~~September 1, 2019~~. *one year following the transfer of the portfolio and funds, pursuant to Section 63090 and 69095.* Until the bank adopts its regulations, where an action is required subsequent to October 1, 2018, references to the California Pollution Control Financing Authority are deemed to reference the bank.

63092. (a) Upon written notice to the ~~bank~~, *program manager*, a financial company or financial institution *participating as a lender* may withdraw from the program. The notice shall state one of the following, as may be applicable:

(1) All loans secured by its loss reserve account have been repaid, and there are no pending claims for reimbursement for losses incurred as a result of loan defaults.

(2) The financial company or financial institution *participating as a lender* waives all rights to submit claims for reimbursement for losses incurred as a result of charge-offs or loan defaults with respect to all loans that are enrolled in its loss reserve account that have not been fully repaid as of the date the notice of withdrawal is filed with the bank.

(b) The ~~bank~~ *program manager* shall establish the process *in accordance with directives and requirements* for the distribution of contributions back to a financial company or financial institution that has withdrawn from the ~~program~~ *loan loss reserve program* in directives and regulations.

~~SEC. 8.~~

SEC. 9. Article 13 (commencing with Section 69095) is added to Chapter 6 of Division 1 of Title 6.7 of the Government Code, to read:

Article 13. Miscellaneous Credit Enhancements

69095. (a) The collateral support loan portfolio of the California Capital Access Loan Program, administered by the California Pollution Control Financing Authority pursuant to Article 8 (commencing with Section 44559) of Chapter 1 of Division 27 of the Health and Safety Code, comprised of enrolled loans for which the state contributed funding pursuant to the 2010 General Fund appropriation under Assembly Bill 1632 of the 2009–10 Regular Session (Chapter 731 of the Statutes of 2010)

1 or federal funds awarded to the state pursuant to the State Small
2 Business Credit Initiative (Chapter 54 (commencing with Section
3 5701) of Title 12 of the United States Code) is transferred to the
4 ~~bank~~. *California Small Business Finance Center*.

5 (b) To initiate the transfer of the portfolio, the bank board shall
6 adopt a resolution which provides for the terms and conditions of
7 the transfer. The bank may confer with the California Pollution
8 Control Financing Authority on the terms and conditions of the
9 resolution. The California Pollution Control Financing Authority
10 shall provide requested information in a timely manner. Upon the
11 adoption of the resolution, the California Pollution Control
12 Financing Authority shall transfer the portfolio.

13 (c) The transfer of the *collateral support loan* portfolio shall
14 occur no later than January 1, 2020.

O

California State Senate

SENATOR
BEN HUESO
FORTIETH SENATE DISTRICT



July 25, 2018

The Honorable Ken Cooley
Chair, Assembly Rules Committee
State Capitol, Room 3016
Sacramento CA 95814

Re: Request to add an urgency clause

Mr. Chair:

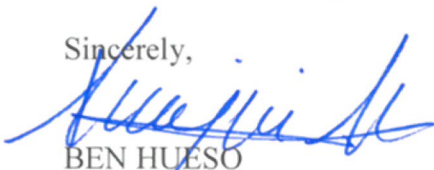
I respectfully request approval of the Assembly Rules Committee to add an urgency clause to SB 551 (Hueso) Capital Access Loan Program for Small Businesses to ensure a successful transfer and consolidation of responsibility for the management of funds allocated to California pursuant to the State Small Business Credit Initiative.

Specifically, I am requesting the addition of an urgency clause to SB 551 (Hueso) in order to provide the Small Business Finance Center at the California Infrastructure and Economic Development Bank with authority to develop directives and requirements at the earliest possible date to ensure the successful transfer and consolidation of responsibility for management of funds allocated to California pursuant to the State Small Business Credit Initiative (Chapter 54 (commencing with Section 5701) of Title 12 of the United States Code), it is necessary that this act take effect immediately.

Additionally, I seek to insert an urgency clause to this bill to ensure that the micro-business loans administered through these funds are not unnecessarily disrupted.

Thank you for your consideration of this matter. If you have any questions, please feel free to contact me or my Legislative Director Aaron Brieno, at (916) 651-4040.

Sincerely,


BEN HUESO
Senator, 40th District
BH/ab

STANDING COMMITTEES
ENERGY, UTILITIES & COMMUNICATIONS
CHAIR
LATINO LEGISLATIVE CAUCUS
CHAIR
VETERANS AFFAIRS
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SELECT COMMITTEES
CALIFORNIA-MEXICO COOPERATION
CHAIR
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MENTAL HEALTH
US CITIZEN YOUTH EXILED IN MEXICO
JOINT COMMITTEE
JOINT LEGISLATIVE COMMITTEE ON
CLIMATE CHANGE POLICIES