

0965 California Industrial Development Financing Advisory Commission

The California Industrial Development Financing Advisory Commission (CIDFAC) creates employment opportunities and supports local economic development. CIDFAC meets this goal by approving local entities' issuance of Industrial Development Bonds (IDBs). The IDBs provide manufacturers with a low-cost financing option to build, expand, or equip their facilities in California. CIDFAC independently reviews IDB applications to ensure compliance with federal tax law and state statutes and regulations and approves the sale of IDBs by local authorities. Additionally, CIDFAC provides technical assistance to local issuers of IDBs, including cities, counties, industrial development authorities, redevelopment agencies, and joint powers authorities.

The State Treasurer serves as chairperson of the CIDFAC. The other members are the Director of the Department of Finance, the State Controller, the Secretary of the Business, Transportation and Housing Agency, and the Commissioner of the Department of Corporations.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 California Industrial Development Financing Advisory Commission	0.9	1.0	1.0	\$165	\$330	\$339
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	0.9	1.0	1.0	\$165	\$330	\$339
FUNDING				2010-11*	2011-12*	2012-13*
0215 Industrial Development Fund				\$165	\$255	\$264
0995 Reimbursements				-	75	75
TOTALS, EXPENDITURES, ALL FUNDS				\$165	\$330	\$339

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code Sections 91500 to 91574, Insurance Code Section 1192.

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$2	-	\$-	\$-	-
• Retirement Rate Adjustment	-	1	-	-	1	-
• Pro Rata Adjustment	-	-	-	-	7	-
• Operational Efficiency	-	-2	-	-	-2	-
Totals, Other Workload Budget Adjustments	\$-	-\$3	-	\$-	\$6	-
Totals, Workload Budget Adjustments	\$-	-\$3	-	\$-	\$6	-
Totals, Budget Adjustments	\$-	-\$3	-	\$-	\$6	-

PROGRAM DESCRIPTIONS

10 - CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

The core program area is the IDB Program, under which CIDFAC, as required by state law, serves as the mandatory approval agency for local IDB issuers. Once potential borrowers (manufacturers, processing companies and knowledge-based businesses) apply through their local government agency for low cost tax-exempt financing, CIDFAC carefully reviews the public benefits generated by the proposed project, particularly those benefits associated with job creation, and determines whether these benefits will significantly outweigh any detrimental public effects. Eligible capital expenditures include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment. Bond proceeds also can be used to cover the cost of architects, engineers, attorneys, permits, and the cost of bond issuance. In addition, bond proceeds can also be used to produce intangible products such as patents, copyrights, formulas, processes, designs, trademarks, and know-how. The local issuer can be a city, county, economic development authority, redevelopment agency, or a joint power authority.

Federal law authorizes the issuance of IDBs in local Empowerment Zone Bonds (EZ Bonds). CIDFAC's EZ Bond Program

* Dollars in thousands, except in Salary Range.

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augments the benefits of the IDB program to further support economic development in California's most distressed communities. The EZ Bond Program expands the eligibility of borrowers to manufacturers, retailers, and any service that operates in an Empowerment Zone. The EZ Bond program removes the maximum dollar restriction (applicable to IDBs) on the size of the issuance. There are five federally designated Empowerment Zones in California: Los Angeles, Santa Ana, San Diego, Fresno and an unincorporated section of Riverside County. These communities received this federal designation based on their high unemployment and high poverty rates.

DETAILED EXPENDITURES BY PROGRAM

		2010-11*	2011-12*	2012-13*
PROGRAM REQUIREMENTS				
10	CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION			
State Operations:				
0215	Industrial Development Fund	\$165	\$255	\$264
0995	Reimbursements	-	75	75
Totals, State Operations		\$165	\$330	\$339
TOTALS, EXPENDITURES				
State Operations		165	330	339
Totals, Expenditures		\$165	\$330	\$339

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	Positions/Personnel	Years		2010-11*	2011-12*	2012-13*
	2010-11	2011-12	2012-13			
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	0.9	1.0	1.0	\$100	\$109	\$111
Net Totals, Salaries and Wages	0.9	1.0	1.0	\$100	\$109	\$111
Staff Benefits	-	-	-	31	34	36
Totals, Personal Services	0.9	1.0	1.0	\$131	\$143	\$147
OPERATING EXPENSES AND EQUIPMENT				\$34	\$187	\$192
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$165	\$330	\$339

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS		2010-11*	2011-12*	2012-13*
0215 Industrial Development Fund				
APPROPRIATIONS				
001	Budget Act appropriation	\$292	\$258	\$264
	Adjustment per Section 3.60	4	1	-
	Adjustment per Section 3.90	-7	-2	-
	Adjustment per Section 3.91	-11	-	-
	Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-2	-
Totals Available		\$278	\$255	\$264
Unexpended balance, estimated savings		-113	-	-
TOTALS, EXPENDITURES		\$165	\$255	\$264
0995 Reimbursements				
APPROPRIATIONS				
	Reimbursements	-	\$75	\$75
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)		\$165	\$330	\$339

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FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
0215 Industrial Development Fund ⁵			
BEGINNING BALANCE	\$24	\$25	\$22
Prior year adjustments	<u>59</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$83	\$25	\$22
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	<u>107</u>	<u>252</u>	<u>252</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$107</u>	<u>\$252</u>	<u>\$252</u>
Total Resources	\$190	\$277	\$274
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0965 California Industrial Development Financing Advisory Commission (State Operations)	<u>165</u>	<u>255</u>	<u>264</u>
Total Expenditures and Expenditure Adjustments	<u>\$165</u>	<u>\$255</u>	<u>\$264</u>
FUND BALANCE	\$25	\$22	\$10
Reserve for economic uncertainties	25	22	10

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