
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 940 (Wicks) - Economic development: industry strategies

Version: September 9, 2025

Urgency: No

Hearing Date: September 11, 2025

Policy Vote: B., P. & E.D. 10 - 0

Mandate: No

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Bill Summary: AB 940 requires the Governor's Office of Business and Economic Development (GO-Biz) to develop industry strategies for the strategic sectors identified in the California Jobs First State Economic Blueprint (Blueprint). AB 940 also requires GO-Biz to develop an industry strategy with engagement from key stakeholders for the quantum technology subsector identified in the Blueprint.

Fiscal Impact: Unknown potentially significant fiscal impact to GO-Biz, to the extent that workload to develop the strategies cannot be absorbed within GO-Biz's current activities related to developing and implementing the Blueprint (General Fund). It is unclear if GO-Biz would be required to update the strategies as new quantum technologies emerge and the quantum technology subsector evolves to ensure that the sectors identified in the Blueprint continue to grow. Ongoing cost pressures for GO-Biz to do so may range into the millions of dollars (General Fund).

Background: The Blueprint was released in February 2025 following the establishment of state Regional Investment Initiative (RII) in 2021. The Blueprint identifies strategic sectors in 13 economic regions of California and aims to drive sustainable economic growth and job creation. The RII's 13 economic regions are North State, Redwood, Capital, Sierra, Bay Area, North San Joaquin, Central San Joaquin, Central Coast, Kern County, Los Angeles County, Inland SoCal, Orange County, and Southern Border.

The Blueprint is organized into four categories, each with various industry sectors to be prioritized for investment. According to the Blueprint, the four categories and their industry sectors include:

- **Strengthen** – Sectors where California has an established competitive position or significant employment, but where there is leveling growth or wages. These sectors are historic assets with built out infrastructure to support them. Industry sectors include the creative economy (film, television, and the arts), manufacturing, financial and professional services, tourism and outdoor recreation, working lands and water (agricultural production and food processing), and transport and logistics.
- **Accelerate** – Sectors with moderate to high projected growth that are ready for expansion, where additional investments may generate growth. These sectors may require near-term investments, both funding and otherwise, to grow. Industry sectors include aerospace and defense (aircraft, space, and defense and satellites), clean economy (batteries, onshore wind, solar, zero emission vehicles), life sciences (medical technology, pharmaceuticals, and biotechnology), working lands and water (agricultural technology (agtech) and farm equipment), and high-tech (hardware, semiconductors and microelectronics, and software and services).

- Bet – Emerging sectors where significant investment or high strategic importance may generate growth. These sectors may require support for entrepreneurs and researches to access capital and support to the innovation ecosystem. These sectors include the clean economy (carbon management, critical minerals, hydrogen, and offshore wind), working lands and water (bioeconomy and blue economy and technology), and high-tech (artificial intelligence, quantum, and robotics).
- Anchor – regional “anchor” sectors that are critical for attracting and supporting other industry activities while providing quality, good-paying jobs within local communities. These sectors include childcare, education and skilled workforce, healthcare, housing, and infrastructure (broadband, transmission and distribution, transportation infrastructure, and water).

In August 2025, the Governor Newsom and the California Jobs First Council (Council) announced \$80 million to 11 projects across seven regions in the following industry sectors: aerospace and defense, agtech and farm equipment, bioeconomy, and life sciences. The announcement noted the awards are part of a two-phased approach to distribute a total of \$125 million to projects that advance the Accelerate and Bet sectors. The second round of implementation funding is slated to begin in October 2025.

Proposed Law:

- Requires GO-Biz to develop industry strategies for the strategic sectors identified in the Blueprint to ensure an industry-specific approach that builds on the strategies outlined in the blueprint and outlines the activities and investments necessary to ensure that these sectors continue to grow in California. Requires the strategies to build upon California’s comparative advantage and include prioritizing access to tax incentives, grants, loan programs, and workforce training programs to catalyze private sector investment in the respective sector. Requires each industry strategy to contain all of the following elements:
 - An industry overview outlining the current state of the industry, why it is critical to California and the specific strategies that would lead to increased jobs and capital investments.
 - Identification of the key dependencies and risks associated with implementing the strategies.
 - Identification of projects and programs that will most quickly improve the economic vitality of the industry, and the types of public-private partnerships between government, academia, and private investors that will be critical to access the funding necessary to accelerate the industry.
 - An analysis of relevant state policies and regulations to identify opportunities to grow the industry and determine whether alternative approaches may accomplish goals in less costly ways.
 - A summary of sector-level outcomes expected with the implementation of the strategies.

- A dedicated section on the State of California's internet website that is managed and updated with industry-specific information.
- Requires GO-Biz to also develop an industry strategy with engagement from key stakeholders in the regions that have identified quantum technology as a priority for the quantum technology subsector identified in the Blueprint. Authorizes GO-Biz to develop industry strategies for the other subsectors in the Blueprint.
- Requires GO-Biz to prioritize the industry strategy for quantum technology and submit a copy of the completed strategy to the Legislature on or before July 1, 2026.
- States legislative findings and declarations.

Staff Comments: It is unknown if GO-Biz may absorb workload associated with this bill into its current responsibilities under the Council and program, or if there are additional resources that may support development of the Blueprint specific to the quantum technology subsector.

For context, AB 105 (Gabriel, 2025) is a budget bill that, among other things, appropriates \$4 million in one-time 2025-26 General Fund to GO-Biz to support quantum research and innovation and to convene stakeholders supporting California's leadership in quantum. It is unknown if or to what extent GO-Biz may utilize this appropriation or other resources to develop industry strategies for the quantum technology subsector as required by this bill. At the time of this analysis, AB 105 is pending on the Senate Floor.

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