

REVISED March 27, 2007

MEMORANDUM

TO: All Interested Parties in the California State University System

FROM: Miguel Ceja, Coordinator, Faculty Research Fellows Program,
Center for California Studies, CSUS

SUBJECT: Request for Proposals

PROJECT TITLE: Dynamic Economic Analysis of Incentives and Disincentives for
Corporate Manufacturers Investment and Growth in California

The Governor's Office has requested assistance from the California State University Faculty Research Fellows Program to determine the factors that influence the decision of manufacturing companies to do business in California and assess public policies that might encourage greater corporate investment and growth.

Qualified California State University faculty and staff should submit proposals in response to this request. We prefer that the principal investigator is a full-time faculty or staff member of the CSU system, but it is not necessary. Part-time faculty and students can be included as secondary investigators and assistants. The enclosed attachment provides background on the issue, a description of the project, timeline, budget, and requirements for the submission of a proposal.

Proposals are due **APRIL 23, 2007** and should be mailed or faxed to:

Tim Hodson, Director
Center for California Studies
Faculty Research Fellows Program
California State University, Sacramento
Sacramento, CA 95819-6081

Fax: (916) 278-5199

The decision date for funding is May 1, 2007

[REVISED] Sign-off by the principal researcher's campus research office is required as is conformance with Chancellor's Office's Executive Order Number 890 (<http://www.calstate.edu/EO/EO-890.pdf>). Researcher(s)' Salary, travel, and incidental expenses are usually paid through CSU, Sacramento. If researcher(s) desire the payment of travel and incidental expenses through the principal researcher's home campus, indirect cost can be paid on these items provided the total budget (including indirect cost) does not exceed \$15,000.

**CALIFORNIA STATE UNIVERSITY
FACULTY RESEARCH FELLOWS PROGRAM**

REQUEST FOR PROPOSALS

March 13, 2007

Project Title/ Description

**Dynamic Economic Analysis of Incentives and Disincentives for Corporate
Manufacturers Investment and Growth in California**

Determine the factors that influence the decision of manufacturing companies to do business in California and assess public policies that might encourage greater corporate investment and growth.

Background

California has long been and continues to be an economic powerhouse. But in recent years other states and nations have aggressively recruited California based corporations and businesses, especially manufacturers. Some data indicate that these efforts have been successful and California is losing companies and jobs, especially in the technology and manufacturing sectors. Research also indicates that the high cost of doing business in California creates disincentives for companies who are looking to invest and grow in California and pushes away existing companies to lower tax states.

The current proposal is interested in the following questions:

1. Does the current business climate, especially California's taxation policy on manufacturers, encourage or discourage companies from investing in California?
2. Are there policies California can adopt to promote greater investment from manufacturing and technology companies?
3. Is it in California's best economic interest to create more manufacturing jobs? If not, what jobs would better ensure a stronger middle class?
4. What kind of impact would such policies, including tax policies, have on the future vitality of California's economy and society?

Expected Output

1. Review the literature on corporate investment and relocation decisions and the impact of business location decisions on the state's economy and general society.
2. Investigate the factors involved in decisions of various corporations and businesses, particularly those in the manufacturing and technology sectors, to relocate from California to other states (i.e. tax policies, investment incentives, clusters).

3. Identify and assess policy proposals in the relevant literature to attract and retain businesses. This would include potential changes in tax policy that would increase investments and expansion.
4. Develop new policy proposals.

Project Timeline

Proposals are due **APRIL 23, 2007**. Proposals should be no longer than seven pages (excluding vitas). Notification of award occurs by May 1, 2007. A status report will be due on **August 15, 2007**. The entire project must be completed by **September 30, 2007**.

Project Budget

- \$15,000 from 06-07 Faculty Fellows Budget

Proposal Requirements

The written proposal should include the following:

1. Introductory statement that demonstrates an understanding of the subject matter.
2. Description of researcher's(s') qualifications to perform the study and applied public policy research. If available, please include evidence of successful and timely completion of projects for public sector clients.
3. Explanation of how the desired data will be gathered and reported on.
4. A specific timeline for completing the project requirements in the allotted period.
5. A proposed budget that indicates the portion to be devoted to faculty time (including incidental expenses) and any need for non-incidental operating expenses.
6. At least two references who could advise the Faculty Research Fellows staff on the quality and timeliness of the principal researcher's work.
7. Telephone and e-mail address for principal researcher(s).
8. A resume or vita for each person funded under the project.
9. Sign-off of local campus research office is preferred, but not required.

Proposals should be no longer than seven pages (excluding vitas).