

AMENDED IN ASSEMBLY MAY 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1675**

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**Introduced by Assembly Member Ian Calderon**  
*(Coauthors: Assembly Members Daly, Fox, Medina, and  
V. Manuel Pérez)*

February 12, 2014

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An act to add Article 6 (commencing with Section 12099) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1675, as amended, Ian Calderon. Entrepreneur-in-Residence Act of 2014.

Existing law establishes within the Governor's ~~office~~, *office* the Governor's Office of Business and Economic Development as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth, and authorizes the office to exercise various powers, including, among others, making recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would enact the Entrepreneur-in-Residence Act of 2014, which would establish the state entrepreneur-in-residence program within the Governor's Office of Business and Economic Development for the purpose of ~~encouraging interaction between small business and the state~~. *utilizing the expertise of private-sector entrepreneurs to help make state governmental activities and practices more streamlined and accessible to small businesses*. The program would ~~require~~ *authorize*

the director of the Governor’s Office of Business and Economic Development to appoint a maximum of 10 persons each year to serve as ~~an entrepreneur-in-residence, within a state agency as an entrepreneur-in-residence, with duties as established in the bill, on a voluntary basis, each year.~~ *basis. The bill would require the director to accept appointment applications for the position of an entrepreneur-in-residence and to establish prescribed procedures for complying with the bill no later than March 1, 2015.* The bill would also ~~authorize~~ *require* the director to establish an informal working group of entrepreneurs-in-residence to discuss best practices, experiences, obstacles, opportunities, and recommendations, ~~as specified.~~ *and to report on the program to the Governor and the Assembly Committee on Jobs, Economic Development, and the Economy, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

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

1 SECTION 1. Article 6 (commencing with Section 12099) is  
 2 added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the  
 3 Government Code, to read:

4  
 5 Article 6. Entrepreneur-in-Residence Act of 2014

6  
 7 12099. This ~~act~~ *article* shall be known and may be cited as the  
 8 Entrepreneur-in-Residence Act of 2014.

9 12099.1. As used in this article, the following terms have the  
 10 following meanings:

11 (a) “Agency” means any state agency, department, or  
 12 commission.

13 (b) “Director” means the director of the Governor’s Office of  
 14 Business and Economic Development, or his or her designee.

15 (c) “Entrepreneur-in-residence” means an individual appointed  
 16 to a position under the program.

17 (d) “Office” means the Governor’s Office of Business and  
 18 Economic Development.

19 (e) “Program” means the entrepreneur-in-residence program,  
 20 as established by this article.

1 12099.2. (a) The state entrepreneur-in-residence program is  
2 hereby established within the office ~~to do all of the following:~~ *for*  
3 *the purpose of utilizing the expertise of private-sector*  
4 *entrepreneurs to help make state governmental activities and*  
5 *practices more streamlined and accessible to small businesses.*

6 ~~(1) Provide for better outreach by the state to the private sector.~~

7 ~~(2) Strengthen coordination and interaction between the state~~  
8 ~~and the private sector on issues relevant to entrepreneurs and small~~  
9 ~~business concerns.~~

10 ~~(3) Make state programs simpler, easier to access, more efficient,~~  
11 ~~and more responsive to the needs and concerns of small businesses~~  
12 ~~and entrepreneurs.~~

13 (b) (1) The director ~~shall~~ *may* appoint *one or more*  
14 entrepreneurs-in-residence under the program during each year,  
15 ~~however~~ *however*, the director shall not appoint more than 10  
16 entrepreneurs-in-residence during any calendar year. The director,  
17 *with the approval of the state agency*, may appoint an  
18 entrepreneur-in-residence in any state agency.

19 (2) Any person appointed as an entrepreneur-in-residence shall  
20 meet at least one of the following qualifications:

21 ~~(A) The individual shall have demonstrated success in his or~~  
22 ~~her field.~~

23 ~~(B)~~

24 (A) The individual shall have demonstrated success in working  
25 with *California* small ~~business concerns~~ *businesses* and  
26 entrepreneurs.

27 ~~(C)~~

28 (B) The individual shall have successfully developed, invented,  
29 or created a product and brought the product to the marketplace.

30 (3) *Any person appointed as an entrepreneur-in-residence shall*  
31 *not have a conflict of interest with the activities of the state agency*  
32 *where they are placed, including, but not limited to, having any*  
33 *existing business before the state agency in which they are*  
34 *proposing to be placed or are placed.*

35 (c) *The director shall accept appointment applications for the*  
36 *position of an entrepreneur-in-residence and establish procedures*  
37 *for complying with this article no later than March 1, 2015. Among*  
38 *other requirements, the procedures shall include the following:*

39 (1) *A process for engaging with and receiving approval from*  
40 *state agencies about prospective appointments.*

1 (2) A process for screening prospective appointees, including  
2 checking background and references.

3 (3) A standard memorandum of understanding that stipulates  
4 the responsibilities of each party in undertaking an  
5 entrepreneurship-in-residence under the program, including, but  
6 not limited to, hours, duties, goals, expected outcomes, agency  
7 support, and office participation. This standard memorandum of  
8 understanding shall be a model that shall be adapted to address  
9 each individual placement to create the memorandum of  
10 understanding into which the appointee, the agency, and the office  
11 enter.

12 (4) A reporting process that meets the requirements of  
13 subdivision (b) of Section 12099.4.

14 (d) As a condition of having a placement of an  
15 entrepreneur-in-residence, the state agency shall agree to the  
16 procedures set by the office pursuant to subdivision (c).

17 (e) Before the effective date of an appointment under this article,  
18 every individual selected to participate in the program shall have  
19 entered into a memorandum of understanding with the director  
20 and the head of the state agency where the entrepreneur will serve.  
21 The memorandum of understanding shall be specific to the  
22 placement and clearly identify the hours, duties, goals, expected  
23 outcomes, agency support, and office participation. The  
24 memorandum of understanding shall set the benchmarks and  
25 metrics for evaluating the success of the placement.

26 (e)

27 (f) In administering the entrepreneur-in-residence program, the  
28 director shall appoint entrepreneurs-in-residence in a variety of  
29 interested agencies. However, to the extent practicable, the director  
30 shall not appoint more than two entrepreneurs-in-residence to  
31 positions in the same agency during the same year.

32 (d)

33 (g) An entrepreneur-in-residence may serve as an  
34 entrepreneur-in-residence for no longer than two years.

35 12099.3. (a) An entrepreneur-in-residence shall have all of  
36 the following duties:

37 ~~(1) Assist the office and agency the entrepreneur-in-residencee~~  
38 ~~serves in improving outreach to small business concerns and~~  
39 ~~entrepreneurs.~~

1 ~~(2) Provide recommendations to the office and the head of the~~  
2 ~~agency the entrepreneur-in-residence serves on inefficient or~~  
3 ~~duplicative programs, if any, at the agency.~~

4 ~~(3) Provide recommendations to the office and the head of the~~  
5 ~~agency the entrepreneur-in-residence serves on methods to improve~~  
6 ~~program efficiency at the agency or new initiatives, if any, that~~  
7 ~~may be instituted at the agency.~~

8 ~~(4) Facilitate meetings and forums to educate small business~~  
9 ~~concerns and entrepreneurs on programs or initiatives of the office~~  
10 ~~and the agency the entrepreneur-in-residence is serving.~~

11 ~~(5) Facilitate in-service sessions with employees of the office~~  
12 ~~and the agency the entrepreneur-in-residence is serving on issues~~  
13 ~~of concern to entrepreneurs and small business concerns.~~

14 ~~(6) Provide technical assistance or mentorship to small business~~  
15 ~~concerns and entrepreneurs in accessing programs at the office~~  
16 ~~and the agency the entrepreneur-in-residence is serving.~~

17 *(1) Providing recommendations to the head of the state agency*  
18 *the entrepreneur-in-residence serves on how to streamline,*  
19 *eliminate, or modify potentially inefficient or duplicative activities,*  
20 *processes, and programs, if any, at the state agency.*

21 *(2) Providing recommendations to the head of the state agency*  
22 *the entrepreneur-in-residence serves on methods to improve*  
23 *program efficiency at the state agency or new initiatives, if any,*  
24 *that may be instituted at the state agency to address the needs of*  
25 *small businesses and entrepreneurs.*

26 *(3) Assisting the state agency the entrepreneur-in-residence*  
27 *serves in improving outreach and service to small business*  
28 *concerns and entrepreneurs including, but not limited to, the*  
29 *following:*

30 *(A) Facilitating meetings and forums to educate small businesses*  
31 *and entrepreneurs on programs or initiatives of the state agency*  
32 *the entrepreneur-in-residence is serving.*

33 *(B) Facilitating in-service sessions with employees of the office*  
34 *and the state agency the entrepreneur-in-residence is serving on*  
35 *issues of concern to entrepreneurs and small businesses.*

36 *(C) Providing technical assistance or mentorship to small*  
37 *businesses and entrepreneurs in accessing programs at the office*  
38 *and the state agency the entrepreneur-in-residence is serving.*

39 *(b) An entrepreneur-in-residence shall serve on a voluntary*  
40 *basis, but and shall dedicate at least 40 16 hours per week to the*

1 program, unless a greater number of hours per week is otherwise  
 2 agreed upon. At the discretion of the head of a participating state  
 3 agency, the entrepreneur-in-residence shall be ~~entitled to~~  
 4 ~~reimbursement~~ have access to an office, computer, and other  
 5 related support services and equipment from the participating state  
 6 agency ~~of the actual and~~ as the state agency determines to be  
 7 necessary expenses for the entrepreneur-in-residence ~~incurs in~~ to  
 8 discharge of his or her duties.

9 (c) An entrepreneur-in-residence shall report directly to the  
 10 ~~director of the office and~~ head of the state agency ~~employing in~~  
 11 ~~which the entrepreneur-in-residence.~~ *entrepreneur-in-residence is*  
 12 *servng and shall also keep the director of the office updated on*  
 13 *his or her activities, findings, and recommendations.*

14 12099.4. (a) The director ~~may~~ shall establish an informal  
 15 working group of entrepreneurs-in-residence to discuss best  
 16 practices, experiences, obstacles, opportunities, and  
 17 recommendations.

18 (b) (1) *The director shall annually prepare and submit to the*  
 19 *Governor and the Assembly Committee on Jobs, Economic*  
 20 *Development, and the Economy a report on the program. The*  
 21 *report, at a minimum, shall include the following:*

22 (A) *A progress report on the activities of each*  
 23 *entrepreneur-in-residence during the reporting period, based on*  
 24 *the applicable memorandum of understanding.*

25 (B) *A general summary on how the overall program is*  
 26 *addressing the goals of the program, which are as follows:*

27 (i) *Making state programs simpler, easier to access, more*  
 28 *efficient, and more responsive to the needs and concerns of small*  
 29 *businesses and entrepreneurs.*

30 (ii) *Providing for better outreach by the state to the private*  
 31 *sector.*

32 (iii) *Strengthening coordination and interaction between the*  
 33 *state and the private sector on issues relevant to entrepreneurs*  
 34 *and small business concerns.*

35 (2) *The requirement for submitting a report imposed under*  
 36 *paragraph (1) of this subdivision is inoperative on January 1,*  
 37 *2019, pursuant to Section 10231.5 of the Government Code.*

38 (3) *It is anticipated that program impacts will not be fully*  
 39 *measurable until recommended changes and activities are fully*  
 40 *implemented. The office and the agency where an*

1 *entrepreneur-in-residence is placed shall continue measuring and*  
2 *reporting the impact of the activities of the*  
3 *entrepreneur-in-residence for three years following the placement*  
4 *of an entrepreneur-in-residence.*

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