

AMENDED IN SENATE JUNE 19, 2014

AMENDED IN ASSEMBLY MAY 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1675

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

February 12, 2014

An act to add Article-~~6~~ 7 (commencing with Section-~~12099~~) 12100) 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 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 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 authorize the director of the Governor’s Office of Business and Economic Development to appoint a maximum of 10 persons each year to serve within a state agency as an entrepreneur-in-residence, with duties as established in the bill, on a voluntary 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 require the director to establish an informal working group of entrepreneurs-in-residence to discuss best practices, experiences, obstacles, opportunities, and recommendations, 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~~ 7 (commencing with Section ~~12099~~)
 2 ~~12100~~) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2
 3 of the Government Code, to read:

4
 5 Article ~~6~~7. Entrepreneur-in-Residence Act of 2014

6
 7 ~~12099~~.
 8 ~~12100~~. This article shall be known and may be cited as the
 9 Entrepreneur-in-Residence Act of 2014.

10 ~~12099.1~~.
 11 ~~12100.1~~. As used in this article, the following terms have the
 12 following meanings:

13 (a) “Agency” means any state agency, department, or
 14 commission.

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

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

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

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

1 ~~12099.2.~~

2 12100.2. (a) The state entrepreneur-in-residence program is
3 hereby established within the office for the purpose of utilizing
4 the expertise of private-sector entrepreneurs to help make state
5 governmental activities and practices more streamlined and
6 accessible to small businesses.

7 (b) (1) The director may appoint one or more
8 entrepreneurs-in-residence under the program during each year,
9 however, the director shall not appoint more than 10
10 entrepreneurs-in-residence during any calendar year. The director,
11 with the approval of the state agency, may appoint an
12 entrepreneur-in-residence in any state agency.

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

15 (A) The individual shall have demonstrated success in working
16 with California small businesses and entrepreneurs.

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

19 (3) Any person appointed as an entrepreneur-in-residence shall
20 not have a conflict of interest with the activities of the state agency
21 where ~~they are~~ *he or she is* placed, including, but not limited to,
22 having any existing business before the state agency in which ~~they~~
23 ~~are proposing~~ *he or she is proposed* to be placed or ~~are~~ *is* placed.

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

28 (1) A process for engaging with and receiving approval from
29 state agencies about prospective appointments.

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

32 (3) A standard memorandum of understanding that stipulates
33 the responsibilities of each party in undertaking an
34 entrepreneurship-in-residence under the program, including, but
35 not limited to, hours, duties, goals, expected outcomes, agency
36 support, and office participation. This standard memorandum of
37 understanding shall be a model that shall be adapted to address
38 each individual placement to create the memorandum of
39 understanding into which the appointee, the agency, and the office
40 enter.

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

3 (d) As a condition of having a placement of an
 4 entrepreneur-in-residence, the state agency shall agree to the
 5 procedures set by the ~~office~~ *director* pursuant to subdivision (c).

6 (e) Before the effective date of an appointment under this article,
 7 every individual selected to participate in the program shall have
 8 entered into a memorandum of understanding with the director
 9 and the head of the state agency where the entrepreneur will serve.
 10 The memorandum of understanding shall be specific to the
 11 placement and clearly identify the hours, duties, goals, expected
 12 outcomes, agency support, and office participation. The
 13 memorandum of understanding shall set the benchmarks and
 14 metrics for evaluating the success of the placement.

15 (f) In administering the entrepreneur-in-residence program, the
 16 director shall appoint entrepreneurs-in-residence in a variety of
 17 interested agencies. However, to the extent practicable, the director
 18 shall not appoint more than two entrepreneurs-in-residence to
 19 positions in the same agency during the same year.

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

22 ~~12099.3.~~

23 *12100.3.* (a) An entrepreneur-in-residence shall have all of
 24 the following duties:

25 (1) Providing recommendations to the head of the state agency
 26 the entrepreneur-in-residence serves on how to streamline,
 27 eliminate, or modify potentially inefficient or duplicative activities,
 28 processes, and programs, if any, at the state agency.

29 (2) Providing recommendations to the head of the state agency
 30 the entrepreneur-in-residence serves on methods to improve
 31 program efficiency at the state agency or new initiatives, if any,
 32 that may be instituted at the state agency to address the needs of
 33 small businesses and entrepreneurs.

34 (3) Assisting the state agency the entrepreneur-in-residence
 35 serves in improving outreach and service to small business
 36 concerns and entrepreneurs including, but not limited to, the
 37 following:

38 (A) Facilitating meetings and forums to educate small businesses
 39 and entrepreneurs on programs or initiatives of the state agency
 40 the entrepreneur-in-residence is serving.

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

4 (C) Providing technical assistance or mentorship to small
5 businesses and entrepreneurs in accessing programs at the office
6 and the state agency the entrepreneur-in-residence is serving.

7 (b) An entrepreneur-in-residence shall serve on a voluntary
8 basis, and shall dedicate at least 16 hours per week to the program,
9 unless a greater number of hours per week is otherwise agreed
10 upon. At the discretion of the head of a participating state agency,
11 the entrepreneur-in-residence shall ~~be~~ have access to an office,
12 computer, and other related support services and equipment from
13 the participating state agency as the state agency determines to be
14 necessary for the entrepreneur-in-residence to discharge his or her
15 duties.

16 (c) An entrepreneur-in-residence shall report directly to the head
17 of the state agency in which the entrepreneur-in-residence is serving
18 and shall also keep the director of the office updated on his or her
19 activities, findings, and recommendations.

20 ~~12099.4.~~

21 *12100.4.* (a) The director shall establish an informal working
22 group of entrepreneurs-in-residence to discuss best practices,
23 experiences, obstacles, opportunities, and recommendations.

24 (b) (1) The director shall annually prepare and submit to the
25 Governor and the Assembly Committee on Jobs, Economic
26 Development, and the Economy a report on the program. The
27 report, at a minimum, shall include the following:

28 (A) A progress report on the activities of each
29 entrepreneur-in-residence during the reporting period, based on
30 the applicable memorandum of understanding.

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

33 (i) Making state programs simpler, easier to access, more
34 efficient, and more responsive to the needs and concerns of small
35 businesses and entrepreneurs.

36 (ii) Providing for better outreach by the state to the private
37 sector.

38 (iii) Strengthening coordination and interaction between the
39 state and the private sector on issues relevant to entrepreneurs and
40 small business concerns.

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

4 (3) It is anticipated that program impacts will not be fully
5 measurable until recommended changes and activities are fully
6 implemented. The office and the agency where an
7 entrepreneur-in-residence is placed shall continue measuring and
8 reporting the impact of the activities of the
9 entrepreneur-in-residence for three years following the placement
10 of an entrepreneur-in-residence.