## **Introduced by Assembly Member Eduardo Garcia**

January 26, 2015

An act to amend Section 13997.6 of, and to add Chapter 7 (commencing with Section 63100) to Division 1 of Title 6.7 of, the Government Code, relating to economic development.

## LEGISLATIVE COUNSEL'S DIGEST

AB 184, as introduced, Eduardo Garcia. Small Business Technical Assistance Act of 2015.

The Economic Revitalization Act establishes the Governor's Office of Business and Economic Development, also known as "GO-Biz," to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the Infrastructure and Economic Development Bank within GO-Biz to, among other things, assist in the promotion of economic development throughout the state.

This bill would enact the Small Business Technical Assistance Act of 2015, within the bank under the direction of GO-Biz to, among other things, serve as the lead state entity for overseeing the state's participation with the federal California Small Business Development Center Program, the Women's Business Center program, the Veteran Business Outreach Center program, the Service Corps of Retired Executives (SCORE), and the Procurement Technical Assistance Cooperative Agreement program. The bill would also recognize those federal programs, and would authorize GO-Biz or any other state entity

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to contract with a federal small business technical assistance center. The bill would require the State Chair of the California Small Business Development Center Leadership Council, or the contract lead for any of the other federal small business technical assistance centers, to report specific information to GO-Biz relating to any year that state funds are appropriated to support the California Small Business Development Center Program or any of the other federal small business technical assistance center programs, and would, in turn, require the director of GO-Biz or the contract lead for any of the other small business technical assistance centers to provide that report to the Legislature and post the report on the GO-Biz's Internet Web site. The bill would also require the state chair, as a condition of accepting state funds, to allow access to other information about those federal programs under certain conditions. The bill would make legislative findings and declarations in this regard.

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

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

- SECTION 1. Section 13997.6 of the Government Code is 1
- 2 amended to read: 3 13997.6. (a) The California Economic Development Fund is hereby created in the State Treasury for the purpose of receiving
- federal, state, local, and private economic development funds, and receiving repayment of loans or grant proceeds and interest on 7
  - those loans or grants.

- (b) Upon appropriation by the Legislature, moneys in the fund may be expended by the Governor's Office of Business and 9
- 10 Economic Development, without regard to fiscal year, to provide
- matching funds for loans, matching funds, or grants to public 11 12 agencies, nonprofit organizations, and private entities, and for
- 13 other economic development purposes, consistent with the purposes
- 14 for which the moneys were received.
- SEC. 2. Chapter 7 (commencing with Section 63100) is added 15
- to Division 1 of Title 6.7 of the Government Code, to read: 16

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Chapter 7. Small Business Technical Assistance Act of 2015

- 63100. This chapter shall be known, and may be cited, as the Small Business Technical Assistance Act of 2015.
  - 63105. The Legislature finds and declares all of the following:
- (a) The federal government funds and operates a range of technical assistance programs through contracts with nonprofit organizations who commit to serve and support small businesses in California including the California Small Business Development Center program, the Women's Business Center program, the Veteran Business Outreach Center Program, and the Service Corps of Retired Executives (SCORE). The Department of Defense also funds and operates the Procurement Technical Assistance Cooperative Agreement program through contracts with nonprofit organizations in California. All of these programs provide free and low-cost services to California small businesses. It is in the interest of the state to collaborate with these centers under the state role of helping to provide an economic environment in which small businesses can be successful, including participation in a seamless network of federal, state, and nonprofit programs, services, and activities that benefit small businesses.
- (b) (1) The California Small Business Development Center Program plays a significant role in expanding and supporting California small businesses. There are more than 1,000 Small Business Development Centers in the United States and its territories, and there are over 30 Small Business Development Centers located in regions throughout California.
- (2) The primary role of the California Small Business Development Center Program, a component of the federal Small Business Development Center Program, is to provide technical assistance to the state's small businesses, including tracking assistance and outcomes that result in a meaningful contribution to the California economy.
- (3) Within the state, the California Small Business Development Center Program is administered through six Regional Small Business Development Center Networks, as follows: Northern California; Northeastern California; Central California; Orange County/Inland Empire; Los Angeles; and San Diego. Each regional network is managed by an Administrative Lead Center, designated

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by the federal Small Business Administration through a cooperative 2 agreement, and affiliated with one public institution of higher 3 education. The centers are responsible for securing required 4 one-to-one matching funds to draw down federal appropriations, 5 according to a population-based formula determined by the United 6 States Census, and the regional networks are held accountable for 7 their productivity and required to submit regular performance 8 reports to the Office of Small Business Development Centers, within the federal Small Business Administration.

- (4) Throughout the six regional networks there are more than 30 full-time Small Business Development Centers, with multiple additional outreach locations serving small businesses in this state. These centers provide assistance to existing businesses in the areas of financing, government contracting, business planning and management, marketing, international trade, energy efficiency and sustainability, and disaster preparedness. The centers also provide expert advice to technology companies in the areas of business and financial plan preparation, angel and venture capital presentation preparation, funding strategies, product positioning, market launch strategies, applications for federal grants, technology transfers with research universities, intellectual property issues, and strategic partnerships. The centers work in collaboration with various partners to provide these services, including, but not limited to, the federal Small Business Administration, the United States Department of Commerce, the United States Department of Agriculture, the Governor's Office of Business and Economic Development, the California Innovation Hub Program, the California Community Colleges, the California State University, the University of California, local workforce investment boards, economic developers, cities, counties, and chambers of commerce.
- (c) (1) The Women's Business Center program plays a significant role in expanding and supporting California small businesses. The Women's Business Center program was established to provide in-depth, substantive, outcome-oriented business services to women entrepreneurs, both nascent and established businesses, including a representative number of which are socially and economically disadvantaged.
- (2) The Women's Business Center program meets its mission through the award of financial assistance to tax-exempt, private nonprofit organizations to enable them to effect substantial

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economic impact in their communities, as measured by successful
business startups, job creation and retention, and increased
company revenues.

- (3) California's network of women's business centers include: Anew America Women's Business Center/Anew America Community Corporation (Berkeley); Mendocino Women's Business Center West Company (Fort Bragg); Asian Pacific Islander Small Business Program WBC/LTSC Community Development Corp. (Los Angeles); PACE Women's Business Center/Pacific Asian Consortium Employment (Los Angeles); University Enterprises Corporation at CSUSB - (Coachella Valley); Financial Development California Capital (Sacramento); Inland Empire Women's Business Center University Enterprise Corp. at California State University, San Bernardino (San Bernardino); Renaissance Entrepreneurship Center (San Francisco); Women Business Partners Program Mission Community Services Corp. (San Luis Obispo); Women's Economic Ventures (Santa Barbara); and Valley Economic Development Center (Sherman Oaks).
  - (d) The Veteran Business Outreach Center program in California is one of only four in the United States. The Veteran Business Outreach Center program plays an important role in meeting the unique needs of veterans in starting and operating businesses. The program is funded by the Small Business Administration's veterans unit. The Veteran Business Outreach Center program provides statewide small business consulting and workshops for veteran owners of small businesses, and veterans wishing to start a small business. The Veteran Business Outreach Center program offers outreach through its network of related nonprofit veteran service centers in the California Cities of Santa Rosa, Eureka, Menlo Park, and Redding, and in Reno, Nevada.

(e) (1) The Service Corps of Retired Executives (SCORE) is managed by the SCORE Association "Counselors to America's Small Business" and is organized as a nonprofit association comprised of over 13,000 volunteer business counselors working in 348 SCORE chapters throughout the United States and its territories. SCORE members are trained to serve as counselors, advisors, and mentors to aspiring entrepreneurs and business owners. Services are offered at no fee, as a community service.

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1 SCORE was formed in 1964 and nearly 10 million Americans 2 have utilized SCORE services.

- (2) SCORE is a resource partner with the Small Business Administration. The Small Business Administration administers a congressional grant, which provides SCORE with funding. SCORE volunteers work with the Small Business Administration and small business development centers to provide small business mentoring and training to entrepreneurs through the Small Business Administration and small business development center offices. There are 19 SCORE offices in California, as well as a range of online services.
  - (f) (1) The Procurement Technical Assistance Cooperative Agreement program plays an important role in helping small business access public contract opportunities. The Procurement Technical Assistance Cooperative Agreement program was authorized by Congress in 1985 in an effort to expand the number of businesses capable of participating in the government marketplace.
  - (2) The Procurement Technical Assistance Cooperative Agreement program is administered by the Department of Defense. The program provides matching funds through cooperative agreements with state and local governments and nonprofit organizations for the establishment of procurement technical assistance centers to provide procurement assistance.
  - (3) Procurement technical assistance centers are structured to reflect the needs, priorities, and resources of the areas they serve. Some procurement technical assistance centers are administered directly by state governments; others partner with universities, community colleges, local economic development corporations, or other local institutions. Some procurement technical assistance centers operate within Bureau of Indian Affairs areas and serve exclusively Native American-owned businesses. Many are affiliated in some way with small business development centers and other small business programs.
  - (4) Procurement technical assistance centers are staffed with counselors experienced in government contracting and provide a wide range of services including classes and seminars, individual counseling, and easy access to bid opportunities, contract specifications, procurement histories, and other information necessary to successfully compete for government contracts.

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63110. The following definitions apply for the purposes of this chapter:

- (a) (1) "Small Business Act of Congress" refers to the act of Congress signed into law on July 2, 1980, entitled "The Small Business Development Center Act of 1980" (Public Law 96-302) which authorized the Small Business Development Center Program, operated by the Small Business Administration.
- (2) "Women's Business Act of Congress" refers to the act of Congress signed into law in 1988, entitled the "Women's Business Ownership Act of 1988" (Public Law 100-533), operated by the Small Business Administration.
- (3) "Veteran's Business Act of Congress" refers to the act of Congress described in Section 657b of Title 15 of the United States Code governing the Veteran Business Outreach Center, operated by the Small Business Administration.
- (4) "SCORE Act of Congress" refers to the act of Congress described in Section 637 of Title 15 of the United States Code governing the Service Corps of Retired Executives (SCORE), operated by the Small Business Administration.
- (5) "Procurement Act of Congress" refers to the act of Congress described in Chapter 142 (commencing with Section 2411) of Part IV of Subtitle A of Title 10 of the United States Code governing the Procurement Technical Assistance Cooperative Agreement program, operated by the Department of Defense.
- (b) "Administrative Lead Center" means the entity with which the federal Small Business Administration contracts with to administer the Small Business Development Center Program within a state or district. The Administrative Lead Center is directly accountable to the Small Business Administration for all aspects of the Small Business Development Center, including staffing, program, outreach, and securing the required one-to-one match to draw down federal funds to operate the program in the Administrative Lead Center's area of responsibility.
- (c) The "California Small Business Development Center Program" is comprised of the six regional networks of Small Business Development Centers operating in the state pursuant to a cooperative agreement between the Administrative Lead Centers and the federal Small Business Administration.
- (d) "California Small Business Development Center LeadershipCouncil" refers to the entity that is comprised of the directors of

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the Administrative Lead Centers that coordinate the regional networks of small business development centers. The council is the statewide entity tasked with negotiating partnerships on behalf of the California Small Business Development Center Program, leveraging operational and technical assistance for best practices across the six regions, and working with the state government to maximize the economic impact of the federal Small Business Development Center Program within the state.

- (e) "Director" means the Director of the Governor's Office of Business and Economic Development.
- (f) "Federal match" means the money committed to the operations of the regional network of Small Business Development Centers by an Administrative Lead Center, a Women's Business Center, the Veteran Outreach Center, and a Procurement Technical Assistance Center, that have come from a nonfederal government source of moneys. The federal match is used to draw down moneys from the federal Small Business Administration.
- (g) "Office" means the Governor's Office of Business and Economic Development.
- (h) "Regional Directors" refers to the highest level personnel charged with management and oversight of a regional network of Small Business Development Center Networks, and who are employed by the Administrative Lead Centers pursuant to guidelines from the federal Small Business Development Center. There are six Regional Director positions in California.
- (i) "Regional Network of Small Business Development Centers" refers to the Small Business Development Centers which are administered under a single Administrative Lead Center. There are six California Regional Small Business Development Center Networks: Northern California, Northeastern California, Central California, Orange County/Inland Empire, Los Angeles, and San Diego.
- (j) "Regional Network of Women's Business Centers" refers to the Women's Business Centers. There are 11 California Regional Small Business Development Center Networks.
- (k) "Regional Network of SCORE" refers to the Service Corps of Retired Executives, which are administered pursuant to a congressional grant and guidelines from the federal Small Business Administration. There are 19 SCORE centers in California located in Bakersfield, Capitola, Chico, Citrus Heights, Fresno, Glendale,

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Modesto, Monterey, Oakland, Oxnard, Palm Desert, Riverside,
 San Diego, San Francisco, San Jose, San Luis Obispo, Santa Ana,
 Santa Rosa, and Sonora.

- (*l*) "Regional Network of Procurement Technical Assistance Centers" refers to procurement technical assistance centers, which are administered pursuant to guidelines from the United States Department of Defense.
- (m) "Small Business Development Center" refers to an individual physical location, recognized by the federal Small Business Administration and overseen by the Administrative Lead Center, where a small business owner or an aspiring entrepreneur can receive free one-on-one consulting and low at-cost training on a variety of topics including starting, operating, and expanding a small business.
- (n) "Federal small business technical assistance centers" means a Small Business Development Center, a Women's Business Center, the Veteran Business Outreach Center, a SCORE center, and a Procurement Technical Assistance Center that operate in California under federal contracts.
- (o) The "Women's Business Center" refers to an individual, physical location, recognized by the federal Small Business Administration where a small business owner or an aspiring entrepreneur can receive free one-on-one consulting and low at-cost training on a variety of topics including starting, operating, and expanding a small business.
- (p) The "Veteran's Business Center" refers to an individual, physical location, recognized by the federal Small Business Administration where a small business veteran owner or an aspiring veteran entrepreneur can receive free one-on-one consulting and low at-cost training on a variety of topics including starting, operating, and expanding a small business.
- (q) "SCORE" refers to an individual, physical location, recognized by the federal Small Business Administration where a small business owner or an aspiring entrepreneur can receive free mentoring and attend workshops on a variety of topics including starting, operating, and expanding a small business.
- (r) The "Procurement Technical Assistance Center" refers to an individual, physical location, recognized by the United States Department of Defense where a small business owner can receive free training on a variety of state and federal procurement issues.

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63115. (a) The office shall serve as the lead state entity for overseeing the state's participation with the California Small Business Development Center Program, the Women's Business Center program, the Veteran Business Outreach Center program, the Service Corps of Retired Executives (SCORE), and the Procurement Technical Assistance Cooperative Agreement program. The office may collaborate with and support federal small business technical assistance centers in the provision of technical assistance and other related services to small businesses through their regional networks of centers. 

- (b) The office or any other state entity may contract with a federal small business technical assistance center. If a contract is entered into and money is exchanged for services, the federal small business technical assistance center shall report on those activities as specified in Section 63125.
- (c) (1) Any public or private corporation authorized to establish, operate, and maintain a small business development center whose application is granted pursuant to the terms of the Small Business Act of Congress may establish, operate, and maintain the center subject to the conditions and restrictions of the Small Business Act of Congress, and any amendments thereto.
- (2) Any public or private corporation authorized to establish, operate, and maintain a Women's Business Center whose application is granted pursuant to the terms of the Women's Business Act of Congress may establish, operate, and maintain the center subject to the conditions and restrictions of the Women's Business Act of Congress, and any amendments thereto.
- (3) Any public or private corporation authorized to establish, operate, and maintain a Veteran's Business Center whose application is granted pursuant to the terms of the Veteran's Business Act of Congress may establish, operate, and maintain the center subject to the conditions and restrictions of the Veteran's Act of Congress, and any amendments thereto.
- (4) Any public or private corporation authorized to establish, operate, and maintain a SCORE center whose application is granted pursuant to the terms of the SCORE Act of Congress may establish, operate, and maintain the center subject to the conditions and restrictions of the SCORE Act of Congress, and any amendments thereto.

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(5) Any public or private corporation authorized to establish, operate, and maintain a Procurement Technical Assistance Center whose application is granted pursuant to the terms of the Procurement Act of Congress may establish, operate, and maintain the center subject to the conditions and restrictions of the Procurement Act of Congress, and any amendments thereto.

- 63120. The state recognizes that the federal small business technical assistance center programs, administered by the federal Small Business Administration and the United States Department of Defense through a network of nonprofit service providers, offer a range of services that benefit California small businesses including the following:
- (a) (1) The state recognizes that the Small Business Development Center may, pursuant to the Small Business Act of Congress, on January 1, 2014, offer a range of services, including, but not limited to:
- (A) Providing specialized one-on-one counseling and technical assistance in the areas of financing, government contracting, business planning and management, marketing, international trade, energy efficiency, sustainability, and disaster preparedness for small businesses with the greatest potential for job retention and creation.
- (B) Providing expert business startup advising, including legal requirements for starting a business and access to capital for small businesses and entrepreneurs with the greatest potential to start companies and provide jobs within California.
- (C) Providing commercialization assistance to new and emerging technology companies in the areas of business and financial plan preparation, angel and venture capital presentation preparation, funding strategies, product positioning, market launch strategies, application for Small Business Innovation Research and Small Business Technology Transfer federal grants, technology transfer to and from research universities, intellectual property issues, and strategic partnerships.
- (D) Conducting regional and local workshops, seminars, and conferences with local partners to meet the needs of small business clients
- (E) Providing services to link small businesses to research and development institutions for the purposes of transferring new technology to a new or an expanding small business.

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(F) Assisting with the commercialization of technology products or services and with the preparation of raising funds.

- (G) Providing assistance to high growth and highly scalable businesses and entrepreneurs seeking angel and venture capital by preparing and positioning them for funding.
- (H) Coordinating with employee training and placement programs.
- (I) Providing market research and planning assistance to local, regional, and statewide economic development partners, projects, and collaborations.
- (J) Gathering, analyzing, and maintaining information on the economic impact of business assistance provided by the Small Business Development Center and other organizations.
- (2) The Administrative Lead Center is responsible for oversight, management, and compliance of the Small Business Development Centers in its geographic region, in accordance with state law and the Small Business Act of Congress.
- (3) In accordance with the Small Business Act of Congress, the California Small Business Development Center Program is required to provide a federal match of at least one-to-one with nonfederal funds, and is thus authorized to receive grants, gifts, and other sources of funds to support its mission.
- (b) (1) The state recognizes that the Women's Business Centers may, pursuant to the Women's Business Act of Congress, offer a range of services, including, but not limited to:
- (A) Offering financial assistance on how to prepare a loan package and secure business credit from public and private lending.
- (B) Providing marketing assistance, including how to increase a business's capacity to prepare and execute marketing plans; developing pricing, packaging, and distribution strategies; and the effective use of public relations, networking, and advertising techniques.
- (C) Offering export assistance in cooperation with the Small Business Administration's Office of International Trade, the United States Department of Commerce, and other relevant federal programs.
- (D) Providing additional specialized assistance, including issues related to home-based businesses, legal matters, accounting, rural business, agribusiness, construction, child care, elder care, manufacturing, procurement, web development, business expansion

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and franchising, or international trade, business programs helpful to veterans, people seeking to get off welfare, people with disabilities, and other subcategories of issues concerning women in business.

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- (2) In accordance with the Women's Business Act of Congress, the Women's Business Center program is required to provide a federal match of at least one-to-one with nonfederal funds, and is thus authorized to receive grants, gifts, and other sources of funds to support its mission.
- (c) The state recognizes that the Veteran's Business Center may, pursuant to the Veteran's Business Act of Congress, offer a range of services, including, but not limited to:
- (1) Providing statewide small business consulting and workshops for veteran owners of small businesses and veterans wishing to start a small business.
- (2) Offering transitional housing, which offers a safe environment where veterans are supported in their efforts to overcome a variety of obstacles. The agency has up to 100 transitional beds in operation.
- (3) Offering a network of services so veterans are connected to employment and training programs, counseling, and legal services.
- (4) Offering comprehensive employment placement services by providing clients with job leads, resume preparation, informational resources, and interview preparation.
- (5) Operating a 22-bed alcohol/drug social recovery model project established in 2005.
- (d) The state recognizes that SCORE may, pursuant to the SCORE Act of Congress, offer a range of services, including, but not limited to:
- (1) Serving as counselors, advisors, and mentors to aspiring entrepreneurs and business owners.
- (2) Offering online and in-person workshops on management, marketing, e-commerce, selling your business, accessing capital, and intellectual property.
- (e) The state recognizes that the Procurement Technical Assistance Centers may, pursuant to a Procurement Act of Congress, offer a range of services, including, but not limited to:
- 38 (1) Helping to determine business readiness for taking advantage 39 of government contracting opportunities.

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(2) Securing the registrations that are necessary to participate in the government marketplace, including the United States government's System for Award Management (SAM), the Small Business Administration's Dynamic Small Business Search, and other government vendor databases.

- (3) Obtaining key certifications to participate in the government marketplace including Small Disadvantaged Business, 8(a) Business Development Program, HUBzone, and other certifications.
- (4) Identifying which government offices and individuals are most likely to need a business's products and best ways to connect with them.
  - (5) Researching government agency procurement histories.
- (6) Hosting "matchmaking" events, which provide critical opportunities to connect with agency buying officers, prime contractors, and other businesses that may offer teaming or subcontracting opportunities.
- (7) Identifying bid opportunities and understanding solicitation packages.
- 63125. (a) On or before August 30 following any year that state funds are appropriated to federal small business technical assistance centers for the support of the California Small Business Development Center Program or any of the other federal small business technical assistance center programs, the State Chair of the California Small Business Development Center Leadership Council, or the contract lead for any of the other federal small business technical assistance centers as defined in Section 63110, shall provide a written report to the office consistent with the requirements of this section.
- (b) Each Administrative Lead Center and each of the other federal small business technical assistance centers shall agree to the reporting requirement in this section as a condition of receiving state funds. As a further condition for receiving state funds, the State Chair of the California Small Business Development Center Leadership Council shall arrange to provide the office with access to similar information, in both a similar timeframe and format, that an Administrative Lead Center or any of the other federal small business technical assistance centers may provide to the federal Small Business Administration on client services and the economic impact of the California Small Business Development

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1 Center Program. Information provided to the office shall meet 2 applicable privacy standards and shall not disclose the name of an 3 individual business.

- 4 (c) A report prepared pursuant to subdivision (a) shall include, 5 but not be limited to, all of the following data:
  - (1) Number of businesses assisted.
  - (2) Number of employees employed by those businesses at the time those businesses were assisted.
    - (3) Number of jobs created.
- 10 (4) Number of jobs retained.

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- 11 (5) Estimated amount of state tax dollars generated from those businesses.
  - (6) Industry sectors of the businesses assisted, as reported by the assisted businesses.
  - (7) Increase in sales reported by businesses assisted as a result of the program.
  - (8) The amount of capital infusion, in both debt and equity, obtained by assisted businesses.
  - (9) Total amount of federal funds allocated to the region during the reporting period.
  - (d) (1) The director or the contract lead for any of the other small business technical assistance centers shall submit a copy of the report required pursuant to subdivision (a) to the Legislature in compliance with Section 9795 and post the report on the office's Internet Web site no later than 30 days after the office receives the report.
- report.
  (2) This subdivision shall become inoperative on January 1,
  2020, pursuant to Section 10231.5.