

AMENDED IN SENATE JUNE 15, 2016

AMENDED IN ASSEMBLY MAY 4, 2015

AMENDED IN ASSEMBLY APRIL 21, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 582

Introduced by Assembly Member Calderon

February 24, 2015

An act ~~relating to add Article 7 (commencing with Section 12100.1) 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 582, as amended, Calderon. ~~Professionals in public service: pilot program work group. Entrepreneur-in-Residence Act of 2016.~~

Existing law establishes within the Governor's office the Government Operations Agency, which consists of several state agencies, including the Department of General Services and the Department of Technology, and is governed by the Secretary of Government Operations.

This bill would enact the Entrepreneur-in-Residence Act of 2016, which would establish the state entrepreneur-in-residence program within the Government Operations Agency for the purpose of utilizing the expertise of private-sector entrepreneurs to help make state governmental activities and practices more streamlined and accessible. The program would authorize the Secretary of Government Operations 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 secretary 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, 2017. The bill would also require the secretary 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.

~~Existing law establishes the California State Auditor's Office within state government under the direction of the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy. Existing law makes that office independent of the executive branch and legislative control and places it under the direction of the California State Auditor.~~

~~Existing law establishes the Joint Legislative Budget Committee consisting of 8 Members of the Senate and 8 Members of the Assembly, authorizes the committee to appoint the Legislative Analyst, and sets forth his or her duties.~~

~~This bill would require the Legislative Analyst and the California State Auditor to convene a work group for the purposes of determining the most appropriate state agency to house a pilot professionals in public service program with the goal of making state government activities and practices more streamlined and accessible to small businesses. The bill would require that the recommendations of the work group be reported to the Legislature by December 31, 2016, and would repeal these provisions on January 1, 2017.~~

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. The Legislature finds and declares the following:
- 2 (a) California is home to some of the most innovative and
- 3 resourceful entrepreneurs in the world, making it the nation's leader
- 4 in technology and related industries.
- 5 (b) The state should harness this innovation and leverage it to
- 6 provide the best possible customer service to all of its citizens in
- 7 the most cost-effective, efficient, and creative manner.

1 (c) Creativity and efficiency should not be limited to the private
2 sector, but rather should be embraced and developed to further the
3 public interest.

4 (d) Allowing the most creative private sector professionals to
5 volunteer their time and expertise to make government work better
6 *and be more streamlined* for its citizens would permit the state to
7 utilize this creativity for the benefit of all its citizens.

8 (e) Establishing a professionals in public service ~~program, in~~
9 *program within* a California state agency would permit
10 implementation of a model that has been applied successfully by
11 a variety of public and private entities and has proven to be a useful
12 tool to help various processes become more efficient.

13 ~~SEC. 2. (a) The Legislative Analyst and the California State~~
14 ~~Auditor shall collaboratively convene a work group for the~~
15 ~~purposes of determining the most appropriate state agency to house~~
16 ~~a professionals in public service pilot program with the goal of~~
17 ~~making state government activities and practices more streamlined~~
18 ~~and accessible to small businesses.~~

19 ~~(b) The Legislative Analyst and the California State Auditor~~
20 ~~shall report the work group's recommendations to the Legislature~~
21 ~~on or before December 31, 2016. The report shall be submitted as~~
22 ~~set forth in Section 9795 of the Government Code.~~

23 ~~(c) This section is repealed on January 1, 2017.~~

24 *SEC. 2. Article 7 (commencing with Section 12100.1) is added*
25 *to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government*
26 *Code, to read:*

27
28 *Article 7. Entrepreneur-in-Residence Act of 2016*

29
30 *12100.1. This article shall be known and may be cited as the*
31 *Entrepreneur-in-Residence Act of 2016.*

32 *12100.2. As used in this article, the following terms shall have*
33 *the following meanings:*

34 (a) "Agency" means any state agency, department, or
35 commission.

36 (b) "Entrepreneur-in-residence" means an individual appointed
37 to a position under the program.

38 (c) "Office" means the Government Operations Agency.

39 (d) "Program" means the entrepreneur-in-residence program,
40 as established by this article.

1 (e) “Secretary” means the Secretary of the Government
2 Operations Agency, or his or her designee.

3 12100.3. (a) The state entrepreneur-in-residence program is
4 hereby established within the office for the purpose of utilizing the
5 expertise of private-sector entrepreneurs to help make state
6 governmental activities and practices more streamlined and
7 accessible.

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

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

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

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

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

25 (c) The secretary shall accept appointment applications for the
26 position of an entrepreneur-in-residence and establish procedures
27 for complying with this article no later than March 1, 2017. Among
28 other requirements, the procedures shall include the following:

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

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

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

1 *understanding into which the appointee, the agency, and the office*
2 *enter.*

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 secretary 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 secretary*
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 *secretary shall appoint entrepreneurs-in-residence in a variety of*
17 *interested agencies. However, to the extent practicable, the*
18 *secretary shall not appoint more than two*
19 *entrepreneurs-in-residence to positions in the same agency during*
20 *the same year.*

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

23 *12100.4. (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 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
14 be necessary for the entrepreneur-in-residence to discharge his
15 or her duties.

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

20 12100.5. (a) The secretary shall establish an informal working
21 group of entrepreneurs-in-residence to discuss best practices,
22 experiences, obstacles, opportunities, and recommendations.

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

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

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

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

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

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

1 (2) *The requirement for submitting a report imposed under*
2 *paragraph (1) of this subdivision is inoperative on January 1,*
3 *2021, pursuant to Section 10231.5.*

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.*