

AMENDED IN SENATE AUGUST 29, 2000

AMENDED IN SENATE JUNE 15, 2000

AMENDED IN ASSEMBLY MAY 31, 2000

AMENDED IN ASSEMBLY APRIL 25, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1870

Introduced by Assembly Member Davis

February 10, 2000

~~An act to amend Sections 11755 and 11800 of the Health and Safety Code, and to add Section 12693.613 to the Insurance Code, relating to substance abuse, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.—An act to amend Sections 15339.2 and 15339.3 of, and to add Section 15339.8 to, the Government Code, relating to small business.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1870, as amended, Davis. ~~Alcohol and substance abuse: Healthy Families Program: Department of Alcohol and Drug Abuse~~ *Small business funding.*

The Business Incubation Program Act establishes the Business Incubation Program, pursuant to which grants may be awarded by the Trade and Commerce Agency's Office of Small Business to assist in the development of, and delivery of services to small businesses by, business incubators. A "business incubator" is defined for these purposes as an entity

that facilitates the formation and growth of new small businesses to increase their probability of success through the provision or sharing of specified types of equipment, services, and facilities.

This bill would include specified types of activities and services within the definition of “business incubator” for purposes of the program. It would require that programs and services provided through the program be flexible and responsive to the needs of small business, as specified. It would additionally require the office, when awarding grants, to give highest priority to proposals matching each state dollar requested with at least one dollar in private or nonstate public resources, either cash or in-kind.

~~(1) Existing law, the Healthy Families Program, provides specified covered health benefits for children, as defined.~~

~~This bill would require, upon federal approval, additional health benefits, as specified, for a subscriber suffering serious impairment due to his or her substance use and abuse, and would appropriate \$500,000 from the General Fund and would transfer \$1,400,000 from the Federal Trust Fund, to pay for these additional benefits in the 2000-01 fiscal year.~~

~~(2) Existing law authorizes the Department of Alcohol and Drug Abuse (DADP) to review and approve or disapprove county alcohol and drug programs submitted to the state for funding. Existing law requires the DADP to develop and implement, in partnership with counties, alcohol and drug prevention strategies designed for youth. Existing law requires the DADP to cooperate with state agencies to encourage appropriate health facilities to recognize persons with alcohol problems who also require medical care and to provide them with adequate and appropriate services. Existing law requires the DADP to develop and maintain a centralized alcohol and drug abuse indicator data collection system. Existing law, the Adolescent Alcohol and Drug Treatment Recovery Program Act of 1998, requires the DADP, in collaboration with counties and providers of alcohol and drug services, to establish community-based nonresidential and residential recovery programs to intervene and treat the problems of alcohol and drugs among youth.~~



~~This bill would require the DADP to also do all of the following relating to alcohol and drug abuse:~~

- ~~(a) Ensure compatibility with other state initiatives.~~
- ~~(b) Standardize data collection and evaluation.~~
- ~~(c) Maintain data on the number of adolescents that are turned away or refused service.~~
- ~~(d) Provide direction on acceptable standardized assessment tools.~~
- ~~(e) Formulate policy and procedures on billing.~~
- ~~(f) Develop and implement a process for identifying adolescent specific, empirically validated tools for use in the client assessment process.~~

~~This bill would require county alcohol and drug programs to develop a local youth and family treatment provider network, conduct client assessments, provide case management, and monitor quality. This bill would also require county alcohol and drug programs and Healthy Families Program participating plans to develop and implement memorandums of understanding to coordinate care. The bill, by requiring these new duties of county alcohol and drug programs, would create a state-mandated local program.~~

~~(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

~~Vote: $\frac{2}{3}$ majority. Appropriation: yes no. Fiscal committee: yes. State-mandated local program: yes no.~~



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

1 ~~SECTION 1. The Legislature finds and declares all of~~
2 ~~SECTION 1. Section 15339.2 of the Government~~
3 ~~Code is amended to read:~~
4 15339.2. For purposes of this chapter, the following
5 definitions apply:
6 (a) “Incubator” means an entity that facilitates the
7 formation and growth of new small businesses to increase
8 their probability of success through the provision or
9 sharing of needed equipment, services, and facilities,
10 including at least ~~five~~ *six* of the following:
11 (1) Reception and meeting areas;
12 ~~(2) Secretarial services.~~
13 ~~(3) Accounting, secretarial services, accounting and~~
14 ~~bookkeeping services;~~
15 ~~(4) Research, and research libraries.~~
16 ~~(5)~~
17 (2) Onsite financial, management, *marketing,*
18 *business development,* and technical counseling.
19 ~~(6) Flexible~~
20 (3) *Office furniture rentals and flexible lease*
21 arrangements for business sites or for necessary
22 equipment.
23 ~~(7) Computer and word processing services.~~
24 ~~(8) Office furniture rentals.~~
25 ~~(9) Management and entrepreneurial training~~
26 ~~programs that have an entry and exit policy.~~
27 ~~(10) Provision or arrangement of debt or equity~~
28 ~~financing.~~
29 (4) *Technology and computing assistance.*
30 (5) *Entry criteria and a graduation or exit policy.*
31 (6) *Provision of, or reasonable access to, debt or equity*
32 *financing for client companies as a component of the*
33 *incubator’s programs.*
34 (7) *Regional collaboration, as appropriate, among*
35 *facility-based incubators, virtual, e-commerce,*
36 *technology incubation systems, and existing economic*
37 *and business development programs, to meet the*
38 *ongoing demands to support development of micro and*



1 *small business enterprises for community economic*
2 *development.*

3 (8) *A comprehensive entrepreneurial program of*
4 *services offered by one or more facility-based or virtual*
5 *incubation centers or business enterprise centers.*

6 (b) “Office” means the Office of Small Business within
7 the Trade and Commerce Agency.

8 *SEC. 2. Section 15339.3 of the Government Code is*
9 *amended to read:*

10 15339.3. (a) The Office of Small Business shall award
11 grants to California nonprofit corporations or public
12 agencies pursuant to the application process described in
13 this section.

14 (b) In developing the applications for grants, the
15 office shall consult with incubators and other interested
16 parties to ensure that the application is understandable
17 and is disseminated as widely as possible.

18 (c) Grant funds shall be encumbered no later than one
19 year from the date they become available to the agency
20 for this purpose.

21 (d) The grants shall be awarded to the proposals
22 scoring the highest points, based upon criteria that shall
23 include the following:

24 (1) Priority shall be given to proposals that provide
25 maximum debt or equity funding to small businesses that
26 receive services pursuant to Section 15339.2 from a
27 California incubator. The office shall give consideration
28 to applicants that leverage the state funds with funds
29 from other sources used to provide funding to the
30 incubator businesses. *The office shall give highest*
31 *priority to proposals matching each state dollar requested*
32 *with at least one dollar in private or nonstate public*
33 *resources, either cash or in-kind.*

34 (2) Consideration shall also be given to proposals that
35 enable the formation and development of incubators.

36 (e) Grant awardees shall provide the office with
37 suitable financial records to ensure their financial
38 viability, and after receiving the grant, shall allow the
39 office to audit the records of the expenditure of grant
40 funds.

1 (f) ~~Notwithstanding Section 7550.5, the~~ *The* Office of
 2 Small Business shall evaluate the Business Incubation
 3 Program and present its findings to the Legislature on a
 4 biennial basis, commencing January 1, 2000. This
 5 evaluation shall include, but shall not be limited to,
 6 identifying the number of applicants for available grants,
 7 the number of incubators assisted through the program,
 8 the number of small businesses assisted, the graduation
 9 rate of businesses out of incubators, and the number of
 10 jobs created and their mean wage level, and identifying
 11 the four-digit Standard Industrial Classification (SIC)
 12 code for businesses in incubators partially financed by the
 13 office. The evaluation shall be completed within the
 14 existing resources of the office. *The office may consult*
 15 *with industry representatives, incubator associations, and*
 16 *the California Research Bureau while developing the*
 17 *biennial evaluation.*

18 SEC. 3. Section 15339.8 is added to the Government
 19 Code, to read:

20 15339.8. *Programs and services provided pursuant to*
 21 *this article shall be flexible and responsive to the needs of*
 22 *small businesses identified through the regional planning*
 23 *process described in this article. Services shall be*
 24 *demand-driven, and delivery structures shall be in*
 25 *accordance with best business practices,*
 26 *performance-oriented, and cost-effective, and contribute*
 27 *to regional and statewide economy growth and*
 28 *competitiveness.*

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**All matter omitted in this version of the
 bill appears in the bill as amended in the
 Senate, June 15, 2000 (JR 11)**

