

**ASSEMBLY BILL**

**No. 2463**

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**Introduced by Assembly Members Quirk-Silva and Cervantes**

February 14, 2018

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An act to add and repeal Article 7 (commencing with Section 12100.60) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2463, as introduced, Quirk-Silva. Small Business Assistance Act of 2018.

Existing law, the Economic Revitalization Act, establishes the Governor's Office of Business and Economic Development, also known as GO-Biz, under the control of a director. Existing law requires GO-Biz to serve the Governor as the lead entity for economic strategy and authorizes it to undertake specified activities, including supporting small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business. Existing law also creates the California Economic Development Fund for the purpose of receiving federal, state, local, and private economic development funds and, upon appropriation by the Legislature, authorizes moneys in the fund to be expended by GO-Biz to provide matching funds for loans or grants to public agencies, nonprofit organizations, and private entities, and for other economic development purposes, consistent with the purposes for which the moneys were received.

This bill would create the California Small Business Assistance Program within GO-Biz, under the director, for the purpose of assisting small businesses by entering into partnership agreements with one or

more federal small business technical assistance centers, as defined, and providing grants to those centers. This bill, upon appropriation of funds by the Legislature into the Small Business Assistance Account, which this bill creates within the California Economic Development Fund, would require the office to make grants to federal small business technical assistance centers. This bill would require the director to adopt regulations to implement the program. The bill would require any center receiving grants to provide a written report to the office containing specified information. This bill would repeal the program on January 1, 2024.

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 7 (commencing with Section 12100.60)  
2 is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the  
3 Government Code, to read:

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5 Article 7. Small Business Assistance Act of 2018

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7 12100.60. This article shall be known and may be cited as the  
8 Small Business Assistance Act of 2018.

9 12100.61. The Legislature finds and declares all of the  
10 following:

11 (a) Small businesses form the core of the California economy  
12 and it is in the interest of the state to increase opportunities for  
13 entrepreneurs, the self-employed, and microbusiness and small  
14 business owners to have better access to business and technical  
15 resources.

16 (b) The federal government funds and operates a range of  
17 technical assistance programs through contracts with nonprofit  
18 organizations who commit to serve and support small businesses  
19 in California, including the California Small Business Development  
20 Center Program, the Women’s Business Center Program, and the  
21 Veterans Business Outreach Center Program. All of these programs  
22 provide free and low-cost services to California small businesses.  
23 It is in the interest of the state to collaborate with these centers  
24 under the state role of helping to provide an economic environment  
25 in which small businesses can be successful, including participation

1 in a seamless network of federal, state, and nonprofit programs,  
2 services, and activities that benefit small businesses.

3 (c) (1) The California Small Business Development Center  
4 Program plays a significant role in expanding and supporting  
5 California small businesses. There are more than 1,000 small  
6 business development centers in the United States and its territories,  
7 and there are over 30 small business development centers located  
8 in regions throughout California.

9 (2) The primary role of the California Small Business  
10 Development Center Program, a component of the federal Small  
11 Business Development Center Program, is to provide technical  
12 assistance to the state's small businesses, including tracking  
13 assistance and outcomes that result in a meaningful contribution  
14 to the California economy.

15 (d) (1) The Women's Business Center Program plays a  
16 significant role in expanding and supporting California small  
17 businesses. The Women's Business Center program was established  
18 to provide in-depth, substantive, outcome-oriented business  
19 services to women entrepreneurs, both nascent and established  
20 businesses, including a representative number of which are socially  
21 and economically disadvantaged.

22 (2) The Women's Business Center Program meets its mission  
23 through the award of financial assistance to tax-exempt, private  
24 nonprofit organizations to enable them to effect substantial  
25 economic impact in their communities, as measured by successful  
26 business startups, job creation and retention, and increased  
27 company revenues.

28 (e) The Veterans Business Outreach Center Program in  
29 California plays an important role in meeting the unique needs of  
30 veterans in starting and operating businesses. The program is  
31 funded by the Small Business Administration's veterans unit. The  
32 Veterans Business Outreach Center Program provides statewide  
33 small business consulting and workshops for veteran owners of  
34 small businesses, and veterans wishing to start a small business.

35 (f) (1) The Procurement Technical Assistance Cooperative  
36 Agreement program plays an important role in helping small  
37 business access public contract opportunities. The Procurement  
38 Technical Assistance Cooperative Agreement program was  
39 authorized by Congress in 1985 in an effort to expand the number

1 of businesses capable of participating in the government  
2 marketplace.

3 (2) The Procurement Technical Assistance Cooperative  
4 Agreement program is administered by the Department of Defense.  
5 The program provides matching funds through cooperative  
6 agreements with state and local governments and nonprofit  
7 organizations for the establishment of procurement technical  
8 assistance centers to provide procurement assistance.

9 (3) Procurement technical assistance centers are staffed with  
10 counselors experienced in government contracting and provide a  
11 wide range of services including classes and seminars, individual  
12 counseling, and easy access to bid opportunities, contract  
13 specifications, procurement histories, and other information  
14 necessary to successfully compete for government contracts.

15 (g) The Hollings Manufacturing Extension Partnership was  
16 established in the 1980's as United States manufacturing began to  
17 lose ground to Japan. The United States faced key competitive  
18 challenges in consumer electronics, steel, and other industries.  
19 United States goods production processes were deemed  
20 comparatively outdated and innovation stagnated. The program is  
21 administered by the National Institute of Standards and  
22 Technology.

23 12100.62. Unless the context otherwise requires, the definitions  
24 in this section shall govern the construction of this article.

25 (a) "Administrative lead center" means the entity with which  
26 the federal Small Business Administration contracts with to  
27 administer the Small Business Development Center Program,  
28 authorized pursuant to the Small Business Development Center  
29 Act of 1980 (15 U.S.C. 648), within a state or district and that is  
30 directly accountable to the federal Small Business Administration  
31 for all aspects of the small business development center, including  
32 staffing, program, outreach, and securing the required one-to-one  
33 match to draw down federal funds to operate the program in the  
34 administrative lead center's area of responsibility. The California  
35 Small Business Development Center Leadership Council may  
36 apply for grants under this article for administrative lead centers  
37 in California.

38 (b) "California Small Business Development Center Program"  
39 is comprised of the six regional networks of small business  
40 development centers operating in the state pursuant to a cooperative

1 agreement between the administrative lead centers and the federal  
2 Small Business Administration.

3 (c) “California Small Business Development Center Leadership  
4 Council” refers to the entity that is comprised of the directors of  
5 the administrative lead centers that coordinate the regional  
6 networks of small business development centers and is the  
7 statewide entity tasked with negotiating partnerships on behalf of  
8 the California Small Business Development Center Program,  
9 leveraging operational and technical assistance for best practices  
10 across the six regions, and working with the state government to  
11 maximize the economic impact of the federal Small Business  
12 Development Center Program within the state.

13 (d) “Director” means the Director of the Governor’s Office of  
14 Business and Economic Development.

15 (e) “Federal small business technical assistance centers” means  
16 an administrative lead center, a women’s business center, a veterans  
17 business outreach center, a manufacturing extension partnership  
18 center, a minority business development center, and a procurement  
19 technical assistance center that operate in California under federal  
20 contracts.

21 (f) “Manufacturing extension partnership center” refers to a  
22 California contractor recognized by the federal National Institute  
23 of Standards and Technology pursuant to the Omnibus Trade and  
24 Competitiveness Act of 1988 (Public Law 100-418), at which  
25 small manufacturers can obtain information and assistance on new  
26 technology acceleration, supply chain management, lean  
27 processing, export development, sustainable manufacturing  
28 practices, and other issues related to innovation.

29 (g) “Minority business development center” means a center  
30 designated through the Minority Business Development Agency  
31 of the United States Department of Commerce that promotes the  
32 growth of minority-owned businesses through the mobilization  
33 and advancement of public and private sector programs, policy,  
34 and research.

35 (h) “Office” means the Governor’s Office of Business and  
36 Economic Development.

37 (i) “Procurement technical assistance center” means an  
38 individual, physical location, recognized by the United States  
39 Department of Defense for purposes of the Procurement Technical  
40 Assistance Cooperative Agreement Program (Chapter 142

1 (commencing with Section 2411) of Part IV of Subtitle A of Title  
2 10 of the United States Code, at which a small business owner can  
3 receive free training on a variety of state and federal procurement  
4 issues.

5 (j) “Small business development center” refers to an individual  
6 physical location, recognized by the federal Small Business  
7 Administration and overseen by the administrative lead center, at  
8 which a small business owner or an aspiring entrepreneur can  
9 receive free one-on-one consulting and low at-cost training on a  
10 variety of topics including starting, operating, and expanding a  
11 small business.

12 (k) “Veterans business center” means an individual, physical  
13 location, recognized by the federal Small Business Administration  
14 for the purposes specified in Section 657b of Title 15 of the United  
15 States Code, at which a small business veteran owner or an aspiring  
16 veteran entrepreneur can receive free one-on-one consulting and  
17 low at-cost training on a variety of topics including starting,  
18 operating, and expanding a small business.

19 (l) “Women’s business center” means an individual, physical  
20 location, recognized by the federal Small Business Administration  
21 for purposes of the Women’s Business Ownership Act of 1988  
22 (Public Law 100-533), at which a small business owner or an  
23 aspiring entrepreneur can receive free one-on-one consulting and  
24 low at-cost training on a variety of topics including starting,  
25 operating, and expanding a small business.

26 12100.63. (a) The California Small Business Assistance  
27 Program is hereby created within the office.

28 (b) The program shall be under the direct authority of the  
29 director.

30 (c) The purpose of the program is to assist small businesses by  
31 entering into partnership agreements with one or more of the  
32 federal small business technical assistance centers and providing  
33 grants to those centers.

34 (d) The director shall adopt regulations that are consistent with  
35 the purpose specified in subdivision (c) to implement this program.

36 (e) In implementing the program, the director shall consult with  
37 local, regional, federal, and other state public and private entities  
38 that share a similar mission to support the needs of small businesses  
39 in California.

1 12100.65. (a) Upon appropriation of funds by the Legislature  
2 for the purpose of implementing this article, the office shall make  
3 grants to federal small business technical assistance centers,  
4 consistent with the regulations developed pursuant to subdivision  
5 (d) of Section 12100.63.

6 (b) Unless otherwise specified, all moneys appropriated for the  
7 purpose of this article shall be deposited in the Small Business  
8 Assistance Account, which is hereby created within the California  
9 Economic Development Fund created pursuant to Section 13997.6.

10 12100.67. (a) On or before November 30 following any fiscal  
11 year that grants are made to a federal small business technical  
12 assistance center pursuant to this article, the center receiving the  
13 grant shall provide a written report to the office consistent with  
14 the requirements of this section.

15 (b) Each federal small business technical assistance center shall  
16 accept the reporting requirement in this section as a condition of  
17 receiving the grant.

18 (c) The report prepared pursuant to subdivision (a) shall include,  
19 but not be limited to, all of the following data:

20 (1) Number of businesses assisted.

21 (2) The amount of funds awarded.

22 (3) The size of businesses assisted, based on the number of  
23 employees at the time those businesses were assisted, as reported  
24 by the assisted businesses. Reporting shall be in categories of  
25 business size, as determined by the office.

26 (4) The city and county in which the businesses are located.

27 (5) Industry sectors of the businesses assisted, as reported by  
28 the assisted businesses.

29 (d) The director shall include the outcome of the program's  
30 activities within the annual report of the Office of the Small  
31 Business Advocate required by Section 12098.4.

32 12100.69. This article shall remain in effect only until January  
33 1, 2024, and as of that date is repealed, unless a later enacted  
34 statute, that is enacted before January 1, 2024, deletes or extends  
35 that date.