

8 Workbook on the Office of the Small Business Advocate

Statutory References:

Government Code, Sections 12096.3 and 12096.4

Government Code, Sections 12098 through 12098.11

Government Code, Section 11346.7

Government Code, Section 63088.5

Program Purpose: To serve as an advocate on key issues facing small businesses and to provide information to small businesses that supports their success in the marketplace.

Program Narrative: The Office of the Small Business Advocate serves as a focal point for issues relating to small business development. Among the Advocate's statutorily defined responsibilities, are the duties to provide advice on legislation and administrative regulations, represent the views and interests of small businesses before other state agencies, and to receive and respond to complaints concerning operative effects of state laws and regulations adversely affecting small businesses.

<http://www.business.ca.gov/Programs/SmallBusiness.aspx>

Most recently, the Office of the Small Business Advocate took the lead in implementing a "Made in California" labeling program and a business assistance program for small businesses seeking capital.

Related Appendices: *Appendix E* has information on the significant number of small businesses in California, including the increase in minority, women, and veteran-owned businesses between 2007 and 2012. *Appendix D* includes a fact sheet with data on the California economy, *Appendix F* has an infographic of the 10 drivers of the California economy, and *Appendixes A* and *B* include additional program information provided by GO-Biz.

Key Statutory Requirements:

- 1) Designates GO-Biz as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.
- 2) Establishes the position of the Small Business Advocate, who also serves as the Director of the Office of the Small Business Advocate.
- 3) Requires each member of the Governor's cabinet to identify a senior manager within his or her agency who shall coordinate business support activities with the office.
- 4) Requires the Governor to appoint the employees who are needed to accomplish the purposes of the Small Business Advocate Act.
- 5) Requires the Small Business Advocate to serve as the principal advocate in the state on behalf of small businesses, including, but not limited to:
 - a) Participating, in an advisory capacity, in the consideration of all legislation and administrative regulations that affect small businesses, and;

- b) Advocating on state policy and programs related to small businesses on disaster preparedness and recovery including providing technical assistance.
- 6) Requires the Small Business Advocate to counsel small businesses on how to resolve questions and problems concerning the relationship of small business to state government.
- 7) Requires the Small Business Advocate to represent the views and interests of small businesses before other state agencies whose policies and activities may affect small businesses.
- 8) Requires the Small Business Advocate to enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by state government that are of benefit to small businesses, as specified.
- 9) Requires the Small Business Advocate to consult with experts and authorities in the fields of small business investment, venture capital investment, and commercial banking and other comparable financial institutions involved in the financing of businesses, and with individuals with regulatory, legal, economic, or financial expertise, as specified.
- 10) Requires the Small Business Advocate to seek the assistance and cooperation of all state agencies and departments providing services to, or affecting, small businesses, including the small business liaison.
- 11) Requires the Small Business Advocate to receive and respond to complaints from small businesses concerning the actions of state agencies and the operative effects of state laws and regulations adversely affecting those businesses.
- 12) Requires the Small Business Advocate to maintain, publicize, and distribute an annual list of persons serving as small business ombudsmen throughout state government.
- 13) Requires each agency of the state to provide the Small Business Advocate with reports, documents, and information that are public records to carry out his or her functions, as specified.
- 14) Requires the Small Business Advocate to submit a written annual report to the Governor and to the Legislature that describes the activities and recommendations of the office, as specified.
- 15) Requires the Small Business Advocate to develop, in consultation with appropriate state agencies, content for the GO-Biz website related to emergency preparedness, responses to emergencies, and recovery strategies for small businesses. The Advocate is also required to annually conduct at least one public meeting to share best practices for small business disaster preparedness.
- 16) Requires the Office of the Small Business Advocate to post information on its internet website to:
 - a) Assist interested parties in starting a nonprofit corporation and meet the state's statutory and regulatory requirements, as specified;
 - b) Provide information on the programs administered through the statewide network of small business financial development corporations. Programs covered shall include loan guarantees,

direct lending, surety bond guarantees, and disaster loans. Information shall be presented in a manner appropriate to address the needs of both small businesses and existing and potential financial institutions and financial companies; and

- c) Provide a link to the Energy Upgrade California internet website on the homepage of its Internet website.

Program Priorities in Statute: None

Small Business Focus in Statute: Yes

Distressed Community Focus in Statute: No. Statute does, however, reference the specific authority to assist minority business owners, among others, in obtaining business development information.

Selection of Program Authorities in Statute:

- 1) Authorizes GO-Biz to provide, including, but not limited to, all of the following:
 - a) Economic and demographic data;
 - b) Financial information to help link businesses with state and local public and private programs;
 - c) Workforce information, including, but not limited to, labor availability, training, and education programs;
 - d) Transportation and infrastructure information;
 - e) Assistance in obtaining state and local permits;
 - f) Information on tax credits and other incentives; and
 - g) Permitting, siting, and other regulatory information pertinent to business operations in the state.
- 2) Authorizes GO-Biz to establish a well-advertised telephone number, an interactive Internet website, and an administrative structure that effectively supports the facilitation of business development and investment in the state.
- 3) Authorizes the Small Business Advocate to establish a centralized interactive telephone referral system and internet website to assist small and minority businesses in their operations, including governmental requirements, such as taxation, accounting, and pollution control, and to provide information concerning the agency from which more specialized assistance may be obtained.

Reporting Requirements in Statute: Yes

The Small Business Advocate is required to submit a written annual report to the Governor and to the Legislature that describes the activities and recommendations of the office, including an evaluation of the efforts of state agencies and, where appropriate, specific departments, that significantly regulate small businesses to assist minority and other small business enterprises, and making recommendations that may be appropriate to assist the development and strengthening of minority and other small business enterprises.

Number of Businesses Served: GO-Biz is developing an overall number. The Capital Infusion Program assisted 9,702 small businesses through a competitive grant with the Small Business Development Centers.

Number of Out-of-State Businesses Served: According to GO-Biz, it assists hundreds of businesses from outside California each year. *"Many of these businesses are small businesses who are interested in starting or expanding their existing business into California. CalBIS and the International Unit work closely with companies looking to establish a first time presence in California, be it from another state or an international location. Our current business assistance tracking does not allow for us to separate out of state businesses without significant staff resources."*

Number of Business Receiving Project-Level Service: While not every business assisted by the Small Business Advocate receives the level of service that warrants the creation of a "project" within the GO-Biz customer management relationship computer database, projects are one indicator of the number of businesses that receive significant services including site selection and individualized business incentive lists. Approximately 285 projects were logged in 2014 and had 243 active projects in 2015.

Current Regulatory Activities: Regulations making technical updates are at the Office of Administrative Law and are going through the public comment process.

Selected Program Highlights:

- **Forms of Assistance:** The OSBA provides information and assistance to small businesses on a one-on-one basis, as well as using technology to expand its outreach. The OSBA hosts workshops and webinars on varying small business related topics. The launch of the California Business Portal will allow small businesses to access key information on permitting, business incentives, and regulations on a 24-7 basis.
- **Most Requested Services:** Small businesses most frequently request help on accessing capital and identifying resources appropriate for small businesses.
- **The Small Business Liaison Network:** The OSBA convenes a state interagency working group to represent small business interests in the state's regulatory policies.
- **Capital Infusion Program:** The Small Business Development Center Capital Infusion Grant Program enables the California Small Business Development Center (SBDC) Networks to expand their one-to-one, no-cost, confidential consulting to small business owners to help them attain loans, investor capital, understand and resolve their credit readiness issues and develop funding strategies for business expansion or startup.

Funding for this program was first authorized as part of the fiscal year 2014-15 state budget and again as part of the 2015-16 budget. The Capital Infusion Program provides \$2 million in competitive grant funding to the SBDC Network, the largest technical assistance program for small businesses in California. The California SBDC Network is comprised of six regional networks, each having one administrative hub or "Lead Center" and a network of small business development centers. Funds are matched 1:1 by the U.S. SBA. In fiscal year 2014-15, 34 small business development centers across California received grant funds. In fiscal year 2015-16, 41 centers will receive grant funds. The OSBA administers the program and oversees all aspects including program management, compliance, and performance progress and outcomes.

Annual metric reports were submitted by the six California SBDC regional networks to OSBA in December 2015. In the first year of the program, the Capital Infusion Program resulted in \$202,645,464 in documented capital infusion, exceeding the capital infusion goal for the program by more than 50%. The program served 9,702 small business owners across the state.

Small Business Development Center Capital Infusion Grant Program			
Region	Funding Received	Capital Infusion	Clients Served
Northern CA SBDC	\$382,124	\$30,128,694	2,312
Northeastern CA SBDC	\$192,708	\$17,731,645	569
UC Merced SBDC (Central CA)	\$208,795	\$12,536,699	1,141
Los Angeles SBDC	\$540,000	\$33,933,198	3,147
Orange County/Inland Empire SBDC	\$393,665	\$101,257,667	1,003
San Diego/Imperial Valley SBDC	\$198,000	\$4,304,862	1,051
Pasadena City College SBDC	\$54,708	\$2,477,700	344
University of La Verne SBDC	\$30,000	\$275,000	135
Total	\$2,000,000	\$202,645,465	9,702

Source: GO-Biz February 2016

Related Reports:

1. **Office of the Small Business Advocate Annual Report (January 2015):** This mandated annual report, prepared by the state Small Business Advocate, identifies projects from the report year, as well as activities proposed in the following year. Highlights from the Small Business Advocate's year include work on establishing two new programs: A \$2 million competitive grant program to fund technical assistance to small businesses looking for capital and a *Made in California* labeling program to create awareness about goods produced in the state. In addition, the Small Business Advocate managed GO-Biz' Interagency Working Group in collaboration with GO-Biz' Permit Assistance Unit, which works on regulatory issues with departments and agencies including the California Environmental Protection Agency and the Department of Industrial Relations. The Advocate also conducted, external outreach activities, including educational workshops for small business owners, and maintains a comprehensive list of online resources for small businesses on technical assistance, financial assistance, and state procurement opportunities.
<http://www.business.ca.gov/Programs/SmallBusiness.aspx>
2. **Office of Small Business Advocate and Made in California Program Annual Report (January 2016):** This mandated annual report, prepared by the state Small Business Advocate, identifies projects from the report year (October 2014-September 2015), including the Made in California Program and activities proposed in the following year. Among other information, the report summarizes findings from the U.S. Small Business Administration's profile on California and a Ewing Marion Kauffman Foundation report on the rise of small business activity in 49 of the 50 states, including California. In May 2015, Governor Brown appointed Jesse Torres to the position of the state Small Business Advocate (Advocate). The report outlines the Advocate's work in four primary areas: advocacy; information gathering and dissemination; coordination of state agencies; and business assistance. The most commonly requested assistance during the report period related to information on how to start or expand a business, access capital, understand regulations, navigate the state procurement process, and obtain business permits. Among other accomplishments, the Advocate re-launched the "Coffee with GO-Biz" event series, engaging with the California Commission on Disability Access, presented at 20 small business events, held the mandatory

disaster preparedness workshop, and hosted three free webinars in honor of Small Business Month. The Advocate works to help state agencies work more effectively with the small business community. In addition to managing two business assistance programs, the advocate works with other GO-Biz organizational units and partners including: The California Competes Tax Credit; Affairs and Business Development; California Business and Investment Services; and the California Infrastructure and Economic Development Bank.

Under the Advocate's Capital Infusion Program, 34 small business development centers received funds in 2014-15 and 41 in 2015-16. These moneys are used to provide free one-on-one counseling to small businesses seeking capital. The initial \$2 million in funding resulted in 9,702 businesses being served and \$202 million in new capital becoming available to small businesses in the state. Plans for 2015-16 are to continue to work on the four core areas discussed above.

The report includes a complete list of 2016 Advocacy goals and expected outcomes. The Made in California program completed the adoption of its regulations and GO-Biz is currently developing its website. In 2016, GO-Biz plans to implement a digital media campaign, develop marketing materials, and maintain its website. <http://www.business.ca.gov/Programs/SmallBusiness.aspx>

3. ***In Search of a Level Playing Field: What Leaders of Small Business Organizations Think About Economic Development Incentives (2015)***. The report, prepared for Good Jobs First, presents the findings from a national survey of leaders from 39 small business organizations (representing over 24,000 members) on issues relating to economic development incentives. Among the key findings, the survey found:

- 92% believe there is a spending bias on incentives toward large businesses (69% strongly agree)
- 85% believe that the state incentives in their state do not effectively address the current needs of small businesses (36% strongly agree)
- 62% believe that incentives like tax credits are less valuable to small businesses than other forms of assistance. (31% strongly agree)

Overall, the report states that survey respondents called for greater access to capital and that a higher priority should be placed on broader public investments that benefit all size businesses and grow the local consumer base including workforce development, education, and transportation.

<http://www.goodjobsfirst.org/publications>

Creation of the Program: SB 12 (Corbett) "Made in California" Labeling: This bill establishes the "Made in California Program" within GO-Biz for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California. Status: Signed by the Governor, Chapter 541, Statutes of 2013.

Selected Program Accomplishments:

- The 2014 Capital Infusion Program leveraged \$2 million to support 9,702 businesses in raising \$202 million.
- The 2015 launch of the California Business Portal, including a Business Service Desk, information on business incentives, local mapping function to identify business and workforce capabilities in

certain geographic areas, and a business navigator with an application to help business customize regulation, permitting, and incentive information.

- Small Business Summit in San Francisco in January 2016.
- *GO-Biz will have an opportunity to present additional accomplishments during the hearing.*

Areas of Possible Further Discussion:

- ***Workforce Development:*** California's draft Unified Plan for the implementation of the federal Workforce Innovation and Opportunity Act proposes to use GO-Biz to provide critical information on employer trends and use its relationships with local and regional economic development organizations to identify and engage with emerging and established industry sectors. Entrepreneurship training is a new element of the state's core workforce training program. Members may wish to learn more about how GO-Biz plans to undertake these activities and how the Legislators may assist with this work in their districts.
- ***Adapt New System to Support Short and Long Term Metrics:*** Based on information provided to the JEDE Committee, the new California Business Portal will be used to track online clients and those businesses that engage with GO-Biz at a level of service that warrants creating a project profile. Members may wish to talk with GO-Biz about how the new system could be adapted to track all business contacts, including the size of business, industry, location, and types of services or information being requested.
- ***The Small Business Liaison Network:*** The OSBA convenes a state interagency working group to represent small business interests in the state's regulatory policies. Given the challenges small businesses face in identifying and following California's complex regulatory process, Members may want to ask the OSBA about current issues he has been addressing. Stakeholders may also have important insights into how best to support small business needs through targeted engagement with the agency-level small business liaisons.

Related Statute:

CHAPTER 1.6. of the Government Code - Governor's Office of Business and Economic Development

ARTICLE 3. Powers and Duties

12096.3. The office shall 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. In this capacity, the office may:

- (a) Recommend to the Governor and the Legislature new state policies, programs, and actions, or amendments to existing programs, advance statewide economic goals and respond to emerging economic problems and opportunities, and ensure that all state policies and programs conform to the adopted state economic and business development goals.
- (b) Coordinate the development of policies and criteria to ensure that federal grants administered or directly expended by state government advance statewide economic goals and objectives.

- (c) Market the business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state.
- (d) Provide, including, but not limited to, all of the following:
 - (1) Economic and demographic data.
 - (2) Financial information to help link businesses with state and local public and private programs.
 - (3) Workforce information, including, but not limited to, labor availability, training, and education programs.
 - (4) Transportation and infrastructure information.
 - (5) Assistance in obtaining state and local permits.
 - (6) Information on tax credits and other incentives.
 - (7) Permitting, siting, and other regulatory information pertinent to business operations in the state.
- (e) Establish a well-advertised telephone number, an interactive Internet Web site, and an administrative structure that effectively supports the facilitation of business development and investment in the state.
- (f) Encourage collaboration among research institutions, startup companies, local governments, venture capitalists, and economic development agencies to promote innovation.
- (g) In cooperation with the federal government, foster relationships with overseas entities to improve the state's image as a destination for business investment and expansion.
- (h) Conduct research on the state's business climate, including, but not limited to, research on how the state can remain on the leading edge of innovation and emerging sectors.
- (i) Support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business.

- 12096.4. (a) Each member of the Governor's cabinet shall identify a senior manager within his or her agency who shall coordinate business support activities with the office.
- (b) For the 2012–13 fiscal year and subsequent fiscal years, the office shall develop a budget in coordination with the Department of Finance pursuant to the state budgeting process, including the permanent transfer of associated positions.

ARTICLE 5. Small Business Advocate [12098 - 12098.9]

12098. (a) The Legislature finds and declares that it is in the public interest to aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise and maintain a healthy state economy.
- (b) In order to advocate the causes of small business and to provide small businesses with the information they need to survive in the marketplace, there is created within the Governor's Office of Business and Economic Development the Office of Small Business Advocate.
- (c) The advocate shall post on his or her Internet Web site the name and telephone number of the small business liaison designated pursuant to Section 14846.

12098.1. The following definitions apply to this article, unless otherwise indicated:

- (a) "Advocate" means the Small Business Advocate who is also the Director of the Office of Small Business Advocate.
- (b) "Director" means the Director of the Office of Small Business Advocate.
- (c) "Office" means the Office of Small Business Advocate.

12098.3. (a) The Director of the Office of Small Business Advocate shall be appointed by, and shall serve at the pleasure of, the Governor.

(b) The Governor shall appoint the employees who are needed to accomplish the purposes of this article.

(c) The duties and functions of the advocate shall include all of the following:

(1) Serve as the principal advocate in the state on behalf of small businesses, including, but not limited to, advisory participation in the consideration of all legislation and administrative regulations that affect small businesses, and advocacy on state policy and programs related to small businesses on disaster preparedness and recovery including providing technical assistance.

(2) Represent the views and interests of small businesses before other state agencies whose policies and activities may affect small business.

(3) Enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by state government that are of benefit to small businesses, and information on how small businesses can participate in, or make use of, those programs and services.

(4) Consult with experts and authorities in the fields of small business investment, venture capital investment, and commercial banking and other comparable financial institutions involved in the financing of business, and with individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest.

(5) Seek the assistance and cooperation of all state agencies and departments providing services to, or affecting, small business, including the small business liaison designated pursuant to Section 14846, to ensure coordination of state efforts.

(6) Receive and respond to complaints from small businesses concerning the actions of state agencies and the operative effects of state laws and regulations adversely affecting those businesses.

(7) Counsel small businesses on how to resolve questions and problems concerning the relationship of small business to state government.

(8) Maintain, publicize, and distribute an annual list of persons serving as small business ombudsmen throughout state government.

12098.4. (a) Each agency of the state shall furnish to the advocate the reports, documents, and information that are public records and that the director deems necessary to carry out his or her functions under this chapter.

(b) The advocate shall prepare and submit a written annual report to the Governor and to the Legislature that describes the activities and recommendations of the office, including an evaluation of the efforts of state agencies and, where appropriate, specific departments, that significantly regulate small businesses to assist minority and other small business enterprises, and making recommendations that may be appropriate to assist the development and strengthening of minority and other small business enterprises.

(c) The advocate may establish a centralized interactive telephone referral system and Internet Web site to assist small and minority businesses in their operations, including governmental requirements, such as taxation, accounting, and pollution control, and to provide information concerning the agency from which more specialized assistance may be obtained. The advocate may establish and advertise a telephone number and an Internet Web site address to serve this centralized interactive telephone referral system and Internet Web site.

12098.5. In addition to his or her other responsibilities under this article, the advocate shall do the following:

- (a) Develop on the office's Internet Web site in consultation with the appropriate state agencies, and update as necessary, information about emergency preparedness, responses to emergencies, and recovery strategies for small businesses.
- (b) Conduct at least one public meeting every year in coordination with the appropriate state agencies, to share best practices for small business disaster preparedness. The meetings shall be held in consultation with regional and statewide small business organizations and shall take place in different locations throughout the state.

12098.6. (a) The office shall post information on its Internet Web site to assist an individual to start a nonprofit corporation in this state and to assist a nonprofit corporation to achieve compliance with the state's statutory and regulatory requirements. The Internet Web site shall contain direct links to information on the incorporation, registration, and renewal requirements of all of the following agencies:

(1) The Employment Development Department.

(2) The Franchise Tax Board.

(3) The Internal Revenue Service.

(4) The office of the Attorney General.

(5) The office of the Secretary of the State.

(6) The State Board of Equalization.

(b) The Internet Web site shall include, but not be limited to, direct links to each agency under subdivision (a) that provides information that does all of the following:

(1) Assists individuals with identifying all state forms or documents they may need.

(2) Provides direct links to an electronic copy of all state forms and documents available for download.

(3) Instructs individuals on how and where to submit all state forms and documents.

(4) Assists nonprofit corporations with identifying the state's statutory and regulatory requirements they must comply with to maintain their status as a nonprofit corporation in this state.

(5) Informs individuals to contact local agencies regarding local requirements.

(c) The office shall ensure that the Internet Web site is user-friendly and provides accurate and updated information.

(d) (1) Each state agency under subdivision (a) shall provide the office with the direct links to the information described in subdivision (b). The office may refer individuals to the California Tax Service Center Internet Web site.

(2) A state agency shall not use the Internet Web site established under this section as the exclusive source of information that it provides to the public on its requirements for nonprofit corporations.

12098.7. Notwithstanding any other law, effective June 30, 2014, the Economic Adjustment Assistance Grant funded through the United States Economic Development Administration under Title IX of the Public Works and Economic Development Act of 1965 (Grant No. 07-19-02709 and 07-19-2709.01) shall be transferred to the Valley Economic Development Center, Inc. The State of California is the dismissed grantee and the Valley Economic Development Center, Inc., shall be the successor grantee. All responsibilities and authorities associated with these funds shall be transferred from the Governor's Office of Business and Economic Development to the Valley Economic Development Center, Inc., pursuant to the terms and conditions agreed to by all parties, including the United States Economic Development Administration, the Governor's Office of Business and Economic Development, and the Valley Economic Development Center, Inc., pursuant to the Offer and Acceptance of Award Amendment For Transfer of Award entered into by the parties on June 17, 2014.

12098.8. The office shall post information on its Internet Web site regarding the programs administered through the statewide network of small business financial development corporations. Programs covered shall include loan guarantees, direct lending, surety bond guarantees, and disaster loans. Information shall be presented in a manner appropriate to address the needs of both small businesses and existing and potential financial institutions and financial companies.

12098.9. In order to educate small business owners of the availability of various programs promoting the efficient use of energy, the office shall include a link to the Energy Upgrade California Internet Web site on the homepage of its Internet Web site.

ARTICLE 6. The Made in California Program

12098.10. (a) The Made in California Program, a public and private collaboration, is hereby created within the Governor's Office of Business and Economic Development. The purposes of the program are to encourage consumer product awareness and to foster purchases of high-quality products made in this state.

(b) (1) The office shall develop a program that permits a company to represent that a product is made in this state. To be eligible under the program, a company shall establish all of the following:

(A) The product is substantially made by an individual located in the state.

(B) The finished product could lawfully use a "Made in U.S.A." label and not violate Section 17533.7 of the Business and Professions Code.

(2) For purposes of this section, "substantially made" means completing an act that adds at least 51 percent of a final product's wholesale value by manufacture, assembly, fabrication, or production to create a final, recognizable product. "Substantially made" does not include the act of packaging a product.

(c) The program shall not apply to those agricultural products subject to the Buy California Program described in Section 58750 of the Food and Agricultural Code.

(d) In accordance with the provisions of Chapter 1 (commencing with Section 58601) of Part 2 of Division 21 of the Food and Agricultural Code, the office may issue and make effective a marketing agreement, including, but not limited to, issuance of a Made in California label, and be advised by those California businesses willing to participate in the program on a voluntary basis via funding or in-kind contributions in a manner defined under the agreement.

(e) (1) As part of the Made in California Program, the office shall require each company to register with the office for use of the Made in California label.

(2) The company filing the registration shall submit a qualified third-party certification at least once every three years that the product is made in accordance with this section.

(3) For purposes of this section, "qualified third-party" means an individual, group, or association that possesses a professional license, certification, or other equivalent documentation indicating sufficient training, education, or expertise to perform a regulatory compliance audit.

(4) The office may require a fee to accompany the registration. The fee shall be determined by the office, and shall not exceed the reasonable costs to the office in providing the services for which it is charged, including, but not limited to, the costs to implement the marketing program. Proceeds from the fee shall be deposited in the Made in California Fund established in subdivision (h).

(f) The office may accept monetary donations or other donations from businesses, nonprofit organizations, or individuals for the purpose of implementing the Made in California Program. These donations shall be deposited in the Made in California Fund established in subdivision (h).

(g) (1) Notwithstanding Section 10231.5, the office shall report to the Legislature on January 1, 2015, and each successive January 1, regarding its expenditures, progress, and ongoing priorities with this program.

(2) The plan submitted to the Legislature pursuant to paragraph (1) shall be submitted pursuant to Section 9795.

(h) The Made in California Fund is hereby created as a fund within the State Treasury. Notwithstanding Section 13340, funds deposited and maintained in the Made in California Fund that were donated pursuant to subdivision (f) are continuously appropriated, without regard to fiscal years, to the director, for the purposes of implementing the Made in California Program. Any other funds deposited and maintained in the Made in California Fund are available, subject to appropriation by the Legislature, for purposes of implementing the program.

12098.11. The provisions of this article shall be enforced pursuant to the Consumers Legal Remedies Act, pursuant to Title 1.5 (commencing with Section 1750) of Part 4 of Division 3 of the Civil Code, and do not impose any requirement upon the office to enforce, audit, or investigate a company that participates in the Made in California Program.

CHAPTER 3.5. Administrative Regulations and Rulemaking [11340 - 11361]

ARTICLE 5. Public Participation: Procedure for Adoption of Regulations [11346 - 11348]

11346.7. The office shall maintain a link on its website to the website maintained by the **Small Business Advocate** that also includes the telephone number of the **Small Business Advocate**.

TITLE 6.7. INFRASTRUCTURE FINANCE [63000 - 64132]

DIVISION 1. THE BERGESON-PEACE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK ACT [63000 - 63089.98]

CHAPTER 6. Small Business Financial Assistance Act of 2013 [63088 - 63089.98]

ARTICLE 3. Purpose [63088.5 - 63088.6]

63088.5. (a) There is within the Governor's Office of Business and Economic Development the California Infrastructure and Economic Development Bank, which shall, among other things, administer the California Small Business Finance Center that administers programs to assist businesses seeking new capital resources, including, but not limited to, the Small Business Loan Guarantee Program.

(b) Pursuant to this chapter and Chapter 1 (commencing with Section 14000) of Part 5 of Division 3 of Title 1 of the Corporations Code, the bank board may continue programs funded by the Small Business Expansion Fund or establish one or more programs administered by the bank or under contract with small business financial development corporations. Programs established pursuant to this chapter or Chapter 1 (commencing with Section 14000) of Part 5 of Division 3 of Title 1 of the Corporations Code may include the following types of financial products:

- (1) Loan guarantees and other credit enhancements.
- (2) Direct loans and other debt instruments.
- (3) Disaster loan guarantees.

(4) Surety bond guarantees.

(c) In all of their state-funded programs, the corporations shall, to the extent practicable, be complementary to, and not competitive with, commercial lenders and other state and federal programs.

(d) In carrying out this chapter the program manager, the executive director, and the bank board may call on the California Small Business Board for advice and recommendations. All actions by the California Small Business Board are advisory.

(e) The California Small Business Board may also advise the Governor and the Small Business Advocate regarding issues and programs affecting California's small business community, including, but not limited to, business innovation and expansion, export finance, state procurement, management and technical assistance, venture capital, and financial assistance.