

1 Workbook on GO-Biz Programs and Services (general overview)

The Governor’s Office of Business and Economic Development (Go-Biz) was established to serve as a one-stop-shop for serving the needs of businesses, economic developers, and investors. As initially envisioned, GO-Biz would not directly implement programs, but would instead serve as a referral service and facilitator to help businesses access resources and resolve issues. Very quickly, however, GO-Biz became a popular destination of new programs and state services.

Structurally, GO-Biz is organized around six units and three semi-independent government entities, which GO-Biz has administrative oversight. Each of these units and entities are briefly described below.

The Business Investment Services Unit (seven positions in the Spring of 2015)

The Business and Investment Services Unit (CalBis) serves as the primary point of contact for businesses looking to relocate or expand their business in California. Services are provided without cost to the business. Working through a statewide network of regional and local entities, GO-Biz is able to develop information packets individualized to the needs of each business. Among other things, businesses can obtain information on available tax credits, financial assistance and loan programs, local workforce skills; transportation and infrastructure, and economic and demographic data.

Unit staff are available to meet with businesses throughout the state, with Senior Business Development Specialists assigned to the Bay Area, and the Sacramento, Los Angeles, and San Diego regions. <http://www.business.ca.gov/RelocateExpand.aspx>

The Permit Assistance Unit (three positions in the Spring of 2015)

The Permit Assistance Unit provides businesses with comprehensive permit, regulatory, and compliance assistance. Among other services, the unit schedules pre-application meetings between businesses and the appropriate regulatory agencies to help streamline the permitting process. In some instances, GO-Biz can assign a project manager to personally guide an applicant through the entire permit process. Services are confidential and provided without cost. The goal of the unit is to help businesses solve permitting and regulatory challenges. <http://www.business.ca.gov/Programs/Permits.aspx>

GO-Biz Mission

- Making recommendations to the Governor and Legislature on new and existing state policies, programs, and actions
- Advancing statewide economic development goals and responding to emerging economic problems and opportunities
- Coordinating the development of policies and criteria that ensure that federal grants advance statewide economic goals and objectives
- Marketing California's investment and business opportunities
- Serving as a cleaning house for information on economic and demographic data, local and state business resources, as well as information on workforce, infrastructure, and permitting and other regulatory information
- Encouraging collaboration among public and private sectors around innovation
- Fostering relationships overseas to enhance the state's image as a good place to do business and invest
- Conducting research on the state's business climate
- Supporting small businesses by providing information about accessing capital and complying with regulations

The unit is also responsible for maintaining the California Government Online to Desktops (CalGOLD) website. At www.calgold.ca.gov businesses can obtain a list of the required federal, state, and local permits; webpage links; addresses; application forms; and other contact information. The unit recently launched the California Business Portal, <http://businessportal.ca.gov/> where businesses can find expanded business resources including information on incentives, workforce, and regulations.

The Office of the Small Business Advocate (three positions in the Spring of 2015)

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 from small businesses concerning operative effects of state laws and regulations adversely affecting those businesses.

Most recently, the Office of the Small Business Advocate took the lead in implementing a "Made in California" labeling program and a \$2 million grant program to provide technical assistance to small businesses seeking capital. <http://www.business.ca.gov/Programs/SmallBusiness.aspx>

Innovation and Entrepreneurship Unit (one position in the Spring of 2015)

Among other activities, this unit oversees the Innovation Hub Program (iHub). The iHub network supports 16 partnerships between incubators, co-working spaces, non-profit economic development organizations, government entities, universities, businesses and investment networks to accelerate investment and economic development. <http://www.business.ca.gov/Programs/Innovation.aspx>

International Trade and Investment (three positions in the Spring of 2015)

The International Trade and Investment Unit provides technical assistance to foreign investors seeking to invest in California. This unit also facilitates the federal EB-5 Immigrant Investor Visa program by providing letters certifying the designation of high unemployment locations. Among other services, this unit helps connect prospective investors with CalBis staff, who can further assist them by identifying potential investment sites and introducing them to local and regional government representatives and economic development professionals. This unit is also responsible for overseeing the California-China Office of Trade and Investment and facilitating the implementation of the state International Trade and Investment Strategy. <http://www.business.ca.gov/International.aspx>

California Competes Tax Credit Program (seven positions in the Spring of 2015)

The California Competes Tax Credit is an individually negotiated tax credit for businesses that are relocating to, or expanding in California. Awards are based on the number of jobs/amount of investment made by the business relative to the amount of credits requested. Since inception, GO-Biz has awarded over \$222 million of credits to 330 businesses. These tax credits represent commitments of \$10.2 million in new committed capital and 42,352 committed jobs. Twenty-five percent of each fiscal year's awards are required to be awarded to small businesses, defined as having less than \$2 million in gross revenues. <http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit.aspx>

A Board, Commission, and Bank under the GO-Biz Purview

In addition to the GO-Biz program units, GO-Biz oversees the California Film Commission, the Travel and Tourism Commission and the California Infrastructure and Economic Development Bank.

The California Film Commission (12 positions)

The California Film Commission serves as a one-stop resource for film and TV production across the Golden State. Among other activities, the Commission awards the Film and TV Tax Credit and links prospective film companies with California's statewide network of more than 60 regional film offices. The Commission also maintains the online permit site for filming on state property, including beaches, parks, roadways, universities and government buildings; and the online location database via CinemaScout. <http://www.film.ca.gov/>

The Travel and Tourism Commission (52 positions)

The Travel and Tourism Commission (also known as Visit California), is a private-non profit entity, created in 1997 by the California Tourism Marketing Act, for the purpose of working with the State of California. The budget for the marketing activities is provided through an assessment in the travel and tourism industry.

<http://californiatourism.ca.gov/Home>

The Infrastructure and Economic Development Bank (24 positions)

The Infrastructure and Economic Development Bank (I-Bank) was established in 1994 to promote economic revitalization, enable future development, and encourage a healthy climate for jobs in California. The I-Bank does not receive any ongoing General Fund support, rather it is funded through fees, interest income, and other revenues derived from its public and private sector financing activities.

The I-Bank administers three programs: (1) the Infrastructure State Revolving Fund which provides direct low-cost financing to public agencies for a variety of public infrastructure projects; (2) the Conduit Bond Program which provides financing for manufacturing companies, public benefit nonprofit organizations, public agencies and other eligible entities; and (3) the Small Business Finance Center which helps small businesses access private financing through loan guarantees, direct loans, and performance bond guarantees. Most recently, the I-Bank established the Statewide Energy Efficiency Program to provide low-cost financings to state and local governments for approved energy efficiency projects.

Currently the Small Business Finance Center is overseeing the deployment of both federal and state loan guarantee funds. In fiscal year 2013-14, 176 small business loan guarantees were made to support \$72.2 million in loans using funds from the federal State Small Business Credit Initiative. Borrowers reported over 7,235 jobs being created or retained as a result of these federally funded guarantees. The state guarantee program was used to provide 169 guarantees for \$23 million in loans with 2,823 jobs created or retained as a result of the state program.

Summary of Legislation and Budget Actions

GO-Biz provides analysis and policy recommendations to the Governor or all pending legislation that impacts economic development policy and regularly works with stakeholders and members of the Legislature on key economic development policy goals, legislation, and regulatory development and implementation. GO-Biz has sponsored two bills:

AB 2389 (Fox) Chapter 116, Statutes of 2014, relating to capital investment incentive programs; and SB 936 (Hertzberg) relating to the Small Business Loan Guarantee Program. Currently pending in the Senate.

GO-Biz has also sponsored budget proposals in both the 2013-2014 Fiscal Year and 2014-2015 Fiscal Year. The \$2 million requested and approved providing the funding for the Capital Infusion Program, which is being administered through the Office of the Small Business Advocate through contracts with the Small Business Development Centers.

For the 2016-17 budget, GO-Biz is requesting \$20 million for funding of the CLEEN Center at the California Infrastructure and Economic Development Bank to support infrastructure projects that support energy efficiency or other environmental goals.

Boards and Advisory Bodies

As the state economic development lead entity, GO-Biz is designated to sit on a number of boards and commissions. The chart below was provided by GO-Biz to summarize these responsibilities.

Statutory Reference	Organization	Role
Government Code Section 14998.2(i)	California Film Commission	The Director of the CFC serves as an ex officio nonvoting member.
Government Code Section 13995.40	Travel and Tourism Commission	The Director of the Commission is the Director of the Governor's Office of Business and Economic Development. This person serves as chair of the Commission.
Government Code Section 63021.5	Infrastructure and Economic Development Board	The Director of GO-Biz serves as chair of the Board.
Revenue and Tax Code Section 18410.2(a)	California Competes Tax Credit Committee	The Director of GO-Biz serves as chair of the Committee.
Unemployment and Insurance Code Section 10202.5	Employment Training Panel	The Director of GO-Biz serves as an ex officio voting member.
Government Code Section 99522	California-Mexico Border Relations Council	The Director of GO-Biz serves on the Council.
Government Code Section 91550	California Industrial Development Financing Advisory Commission	The Director of GO-Biz serves on the Commission.
Government Code Section 99055 (b)	Economic Recovery Financing Committee	The Director of GO-Biz serves as a member of the Committee.
Unemployment and Insurance Code Section 15002	Green Collar Jobs Council	A representative from GO-Biz serves on the Council.

Budget and Finance

The GO-Biz Budget is classified under the *Legislative, Judicial, and Executive* section of the Governor's Budget. This budget classification includes independent entities under the California Constitution and departments that have a specific need to operate outside of the administrative oversight and control of an agency secretary.

Proposed 2016-17 funding for entities within the *Legislative, Judicial, and Executive* section are \$6.8 billion (4.0% of the state funds), which excludes federal funds, certain non-governmental cost funds, or reimbursements. Approximately 16,200 positions are funded under this section.

GO-Biz has 82.3 budgeted positions with a total proposed budget of \$75.6 million, including \$30.4 million in state funds and 45.2 million in federal funds.

The Governor's Office of Business and Economic Development			
Code	Program		
		Positions	Dollars
0220	Go-Biz	22.0	\$4,943
0225	California Business Investment Services	9.0	1,832
0230	Office of the Small Business Advocate	6.0	287
0235	Infrastructure, Finance and Economic Development	45.4	38,167
Totals, Positions and Expenditures (excluding Infrastructure)		82.4	\$45,229
	Infrastructure Expenditures	-	-
Totals, Positions and All Expenditures		82.4	\$45,229