

Date of Hearing: April 23, 2019

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY  
Sabrina Cervantes, Chair

AB 1807 (Committee on Jobs, Economic Development, and the Economy) – As Amended April 10, 2019

**SUBJECT:** California Small Business Development Technical Assistance Expansion Act of 2018

**POLICY FRAME:** Small businesses form the core of the California economy. Too often overlooked, these small size businesses often do double duty as the state’s top job creators and innovations. Based on prior program experience, technical assistance to small businesses results in many advantages, including lower default rates, higher sales tax revenues, and new hires. The California Small Business Technical Assistance Enhancement Program (Small Business Program) was established in 2018 for the purpose of providing direct assistance to small businesses within the statewide network of 72 federally-designated small business technical assistance centers.

AB 1807, a committee bill, modifies the provisions of the Small Business Program to more closely align with the program delivery objectives of the Legislature, as well as resolve issues that arose during the initial round of funding.

The analysis includes information on the California small business economy, the federal small business technical assistance programs, and the existing GO-Biz Capital Infusion Program. Suggested amendments are included in Comment 11.

**SUMMARY:** AB 1807 modifies provisions of the Small Business Program by clarifying the content of the Request for Proposal (RFP), reporting requirements, and administrative procedures. Specifically, **this bill:**

- 1) Requires the RFP to include the process GO-Biz will use to reduce individual awards if the total amount of qualified awards exceeds the total amount of funds available. If this information is not available at the time the RFP is issued, it must then be posted on the GO-Biz website at least 30 days prior to the close of the application period. [*The Small Business Program was significantly over subscribed in the first round of funding. This proposed change ensures administrative transparency of program delivery.*]
- 2) Requires rather than authorizes the list of information that is required to be included in the RFP. [*This proposed change ensures applicants know what information to expect in the RFP.*]
- 3) Requires the notice of award to include the number of businesses and hours of counseling associated with export activities. [*This proposed change will allow GO-Biz to track state matching funds that may be applied toward a federal State Trade Export Program.*]
- 4) Separates the reporting of administrative costs from marketing costs on the existing financial report from awardees. [*A priority for the Small Business Program is to support new and enhanced services to underserved business groups, which requires new out-reach activities. This proposed change will help track the costs of those activities.*]
- 5) Authorizes the reimbursement of mileage for counseling hours provided at a location more than 20 miles from the federally-designated small business technical assistance centers, if that business is

among the priority underserved business groups. [A priority for the Small Business Program is to support new and enhanced services to underserved business groups, which creates new enhanced travel costs. This proposed change will support the goal of the program.]

- 6) Makes other technical, nonsubstantive changes.

#### EXISTING LAW:

- 1) Establishes the Small Business Program for the purpose of providing technical assistance to small businesses through partnership agreements with one or more federally designated small business technical assistance centers.
- 2) Defines a “federal small business technical assistance center” to include, but not be limited to, small business development centers, women’s business centers, veterans business outreach centers, manufacturing extension partnership centers, minority business development business centers, and procurement technical assistance centers that operate in California under federal contracts.
- 3) Specifies, as a condition of funding, that each small business technical assistance center agrees to submit an annual report, which includes, at a minimum, the number of businesses assisted, the amount of funds awarded, the size of businesses assisted, the city and county in which the businesses assisted are located, and the industry sectors of the businesses assisted, as reported by the assisted businesses.
- 4) Requires a preference be given to applications that propose new or enhanced services to underserved business groups, including women-, minority-, and veteran-owned businesses, and businesses in low-wealth, rural, and disaster-impacted communities included in a state or federal emergency declaration or proclamation.
- 5) Sunsets the Program on January 1, 2024.

**FISCAL EFFECT:** Unknown

#### COMMENTS & CONTEXT:

- 1) **The Role of Small Businesses Within the California Economy:** California’s dominance in many economic areas is based, in part, on the significant role small businesses play in the state’s \$2.7 trillion economy. Two separate studies, one by the U.S. Census Bureau and another by the Kaufman Foundation, found that net job growth was strongest among businesses with less than 20 employees. Among other advantages, small businesses are crucial in the state’s international competitiveness and are an important means for dispersing the positive economic impacts of trade within the California economy.

In 2016 (most recent data), of the 4.2 million establishments in California, there were 3.2 million nonemployer establishments as compared to 922,000 employer establishments. The top three industry sectors with the largest number of nonemployer sole proprietorships included professional, scientific, and technical services (507,000 establishments); transportation and warehousing (297,000); and real estate and rentals (271,000). Total establishments revenues for nonemployer sole proprietorships, across all industry sectors, were \$113 billion in receipts in 2016. As these non-employer businesses grow, they continue to serve as an important component of California’s dynamic economy.

Excluding sole proprietorships, businesses with less than 20 employees comprise over 88.3% of all businesses and employ approximately 18.2% of all workers. Businesses with less than 100 employees represent 97.3% of all businesses and employ 35.8% of the workforce. These non-employer and small employer firms create jobs, generate taxes, support important industry sectors, and revitalize communities. Since the recession, these businesses have become increasingly important because they are more flexible and well-suited to meet niche foreign and domestic market needs.

However, their small size also results in certain market challenges, including having difficulty in meeting the procedural requirements of the state's complex regulatory structure and the traditional credit and collateral requirements of mainstream financial institutions. Specialized technical assistance, access to credit enhancements, and targeting of state procurement activities help many small businesses overcome or at least minimize these difficulties.

- 2) **Governor's Office of Business and Economic Development:** In April 2010, the Governor's Office of Economic Development was established to provide a one-stop-shop for serving the needs of businesses and economic developers. While initially established through Executive Order S-01-10 and partnership agreements with the SBDCs, the office was later codified and renamed the Governor's Office of Business and Economic Development [AB 29 (*John A. Pérez*), *Chapter 475, Statutes of 2010*].

The Governor's 2012 reorganization plan (GRP2) further aligned the state's economic development-related administrative structure. Key changes included the dismantling of the Business, Transportation, and Housing Agency and the shifting of a number of programs and services to GO-Biz, including:

- The Small Business Loan Guarantee Program;
- The California Travel and Tourism Commission;
- The California Film Commission;
- The Film California First Program; and
- The Infrastructure and Economic Development Bank.

In 2018, GO-Biz assisted over 25,000 businesses through programs and services administered through its six service units: California Business Investment Services, the Office of Permit Assistance, the Office of the Small Business Advocate (OSBA), International Affairs and Business Development, the California Competes Tax Credit Program, and the Innovation and Entrepreneurship Program.

The OSBA oversees a number of programs and services, including advocacy on small business regulatory and legislative issues, administering the Made in California Labeling Program, maintaining an informational website, and providing advisory assistance to small businesses in the areas of regulatory compliance, business start-up and expansion, capital formation, and disaster preparedness. The Capital Infusion Grant Program is also administered through the OSBA, and it provides grants to SBDCs to provide one-on-one counseling to help small businesses access capital.

The Small Business Program expands the state's relationship with the federal SBDC Program. In doing so, it is furthering GO-Biz's ability to serve as a strategic resource for start-ups, small businesses, and entrepreneurs in California.

- 3) **Capital Infusion Program:** The Capital Infusion Program provides competitive grant funding to the California SBDC Network, the state's largest network of small business technical assistance providers. Through the state program, the California SBDC Network has been able to expand their one-on-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 start-up.

Funding for this program was first authorized as part of the fiscal year 2014-15 state budget and later reauthorized in the following three fiscal years. Most but not all SBDCs participate in the competitively awarded program (34 SBDCs in the first year, 41 in the second year, and 42 in the third year).

<b>Capital Infusion Program (2014-15 – 2017-18)</b>			
<b>Fiscal Year</b>	<b>State Dollars Committed</b>	<b>Capital Infusion Generated</b>	<b>Clients Served</b>
2014-15	\$2,000,000	\$202,645,465	10,053
2015-16	\$2,000,000	\$173,856,832	10,251
2016-17	\$1,500,000	\$263,314,473	11,728
2017-18	\$3,000,000	TBD	TBD

In fiscal years 2014-15 and 2016-17, over 32,000 small business clients were assisted and nearly \$640 million in capital infusion was generated.

<b>Capital Infusion Outcomes (2016-17)</b>		
<b>SBDC Region</b>	<b>Capital Infusion</b>	<b>Small Business Clients Served</b>
Los Angeles	\$31,183,073	2,515
Northeastern CA	\$26,605,352	1,400
Northern CA	\$28,447,577	2,163
Orange County/Inland Empire	\$122,034,575	1,455
San Diego and Imperial	\$22,436,092	2,672
UC Merced (Central California)	\$32,607,804	1,523
<b>Total</b>	<b>\$263,314,473</b>	<b>11,728</b>

Source: 2016-17 Annual Report of the Small Business Advocate

While clearly a successful program, demonstrated by consistently providing a return on state investment of over 1,500%, there are areas of the state, industry sectors, and types of businesses that either do not require or are not currently qualified for additional capital. Businesses that may be located in more rural areas or be very small in size could use additional types of assistance. The Small Business Program is designed to supplement and not supplant the existing Capital Infusion Program.

- 4) **State Support for Federal Small Business Technical Assistance Centers:** Prior to the demise of the California Technology, Trade, and Commerce Agency in 2003, California had a direct relationship with the federal government as an SBDC Administrative Lead Center and received federal matching funds to oversee and coordinate these activities.

In 2010, Speaker John A. Pérez negotiated \$6 million for the SBDCs as part of the final budget negotiations with the Governor [AB 1632 (*Assembly Budget Committee*), Chapter 731, *Statutes of 2010*]. In the 2010-11 federal fiscal year, the for-once fully funded California SBDCs consulted with

50,000 businesses, including 50% women, 48% minorities, and 12% veterans. In addition, the SBDCs:

- Created and retained 7,944 jobs, which was a 38% increase over the prior year;
- Assisted in 740 business startups, which was a 23% increase over the prior year;
- Helped small business clients to increase sales by \$220,000, which was a 71% increase over the prior year; and
- Helped small business clients raise \$176 million in new capital, which was a 22% increase over the prior year.

Between 2010 and 2018, state funding for the SBDCs was very limited and narrowly focused on assisting small businesses in accessing capital through the Capital Infusion Program described above. While useful, some businesses required substantial technical assistance prior to applying for additional capital.

In 2018-19, the Governor proposed and the Legislature agreed to extend the California Competes Tax Credit for an additional five years. In addition to extending tax credit authority, the Governor proposed reducing the overall value of the annual tax credit awards from \$200 million per year to \$180 million per year and removing the mandate to annually set aside 25% (\$50 million) of these credits for small business taxpayers.

In a separate but related budget proposal, the Governor asked for a five-year commitment of \$20 million per year for small business technical assistance. The Governor initially asked Assemblymembers Quirk-Silva and Cervantes to carry legislation to create the Small Business Program and later decided to move the proposal through the budget process. In the budget process, the Small Business Program was further reduced from \$20 million for a new program to \$3 million for the existing Capital Infusion Program and \$17 million for the new program.

- 5) **Small Business Development Center Program:** The SBDC program is sponsored by the federal SBA and functions as a cooperative effort of the private sector, the educational community, and federal, state, and local governments. Small businesses can access a range of free and low-cost services through an SBDC, including one-on-one counseling and workshops that assist business owners in better understanding and developing effective business and marketing plans, accessing capital, market research, technology commercialization, and reaching foreign markets.

The SBDC program's budget is \$131 million for federal fiscal year 2018, which authorizes California to draw-down up to \$14.6 million in federal funds. Pursuant to federal law/regulation, the program is annually measured by the number of businesses served, the number of one-on-one counseling hours provided, the number of jobs created, and the amount of capital raised.

In California, SBDCs are administered through regional partnerships between California State Universities Humboldt and Fullerton; University of California at Merced; Long Beach Community College District; and Southwestern Community College, Chula Vista. Formal management of the partnerships is provided through the five Administrative Lead Centers that are designated by, and responsible to, the SBA. Each Administrative Lead Center serves a specific geographic area consisting of local SBDCs. The California SBDC network serves businesses throughout California with over 45 service and administrative lead centers.

In 2018, the California SBDC network performed more than 103,000 one-on-one business advising hours and hosted 1,700 training events. The CA SBDC network helped California businesses launch 1,470 new businesses, raise over \$776.4 million in debt and equity capital, and create 9,962 new jobs.

- 6) **Manufacturing Extension Partnership Center Program:** The Manufacturing Extension Partnership (MEP) program is administered through the National Institute of Standards and Technology (NIST) within the U.S. Department of Commerce. The program is delivered through a nationwide network of centers which offer a range of services tailored to meet the current and future needs of small and medium-size manufacturers. These services, among others, include technology transfer, export assistance, new product development, market diversification, productivity improvement, and workforce development. In California, the MEP Program is delivered through California Manufacturing Technology Consulting (CMTC) which holds a 5-year program agreement. CMTC works with manufacturers to identify their needs and delivers hands-on, customized, and on-site technical assistance and training. Client engagements with manufacturers and their employees typically have a duration between one and six months.

The MEP program's budget is \$140 million for federal fiscal year 2019, which authorizes the California Center to draw-down up to \$14 million in federal base award funding. Pursuant to federal regulations, the program is annually measured by the number of manufacturers served, job creation and retention, cost savings to clients, total new capital investments, and increased company sales.

Among other distinctions, CMTC is a founding member of the California Network for Manufacturing Innovation, which is a collaborative that includes Lawrence Livermore National Laboratory, Lawrence Berkeley National Laboratory, University of Southern California, University of California-Irvine, MANEX, and El Camino Community College. The goal of the California Network for Manufacturing Innovation is to improve the transfer of technology to California manufacturers. Additionally, CMTC has embedded employees at two Manufacturing USA Institutes, NextFlex in San Jose, and the Clean Energy Smart Manufacturing Innovation Institute in Los Angeles to transfer advanced manufacturing technologies to small manufacturers. CMTC has also formed California's Manufacturing Network to provide services to manufacturers in urban and rural communities statewide.

In 2018, the California MEP Program served 1,183 manufacturers, which resulted in \$1.01 billion in new and retained sales, \$285 million in new client investments, and \$109 million in cost saving to client businesses, and supported the creation/retention of 10,405 manufacturing jobs reported via third party client surveys from NIST. Using the U.S. Department of Labor multiplier of 2.5:1, the program impacted 26,012 total jobs in California.

In fiscal year 2019, as a result of the Small Business Technical Assistance Expansion Program (SBTAEP), CMTC has the opportunity to not only draw-down the full base award but also draw-down additional funding above the base federal award.

- 7) **Procurement Technical Assistance Center Program:** The Procurement Technical Assistance Center (PTAC) program is administered through the Defense Logistics Agency within the U.S. Department of Defense. The program was established to expand the number of businesses capable of participating in government contracts. Procurement Technical Assistance Centers provide a wide range of government contracting assistance from workshops to one-on-one mentoring.

California has six Procurement Technical Assistance Centers, including: Los Angeles County Office of Small Business/PTAC (*Los Angeles*); Monterey Bay PTAC (*Seaside*); Procurement Assistance Center at Riverside Community College District (*Corona*); Norcal Procurement Technical Assistance Center (*Arcata*); San Diego Contracting Opportunities Center – PTAC (*National City*); and California Capital Financial Development Corporation (*Sacramento*). The American Indian Chamber Education Fund – PTAC (*Los Angeles*) serves Native American-owned businesses in California, Arizona, Nevada, and Utah.

Among other services, the Procurement Technical Assistance Center can assist a business in determining their readiness to successfully compete for and complete government contracts; identifying the various vendor databases and registrations/certifications used in government contracting; researching potential agencies' prior procurement histories to help make competitive bids; networking and matchmaking that lead to teaming and subcontracting opportunities; pinpointing potential government contracting opportunities that align with their skill sets; and understanding and completing a solicitation package.

Procurement Technical Assistance Center assistance is not limited to federal government contracts. Businesses can learn about local and state contracting opportunities, as well. Businesses can also learn about related accounting and reporting requirements and the various government contract payment systems.

In general, California's Procurement Technical Assistance Centers have demonstrated that for every \$1 of investment made, \$93 in contract awards are entered into by businesses in the state. In 2018, 4,887 clients were trained in procurement, and 2,368 clients received 6,593 hours of counseling. This training and one-on-one counseling resulted in \$488.9 million in related contract awards.

- 8) **The Veteran Business Outreach Center Program:** The Veteran Business Outreach Center (VBOC) program is administered through the SBA, with two of the 20 centers nationwide being designated to serve veterans in California. While all SBA small business centers provide services to all entrepreneurs, including veterans, the Veteran Business Outreach Centers have additional programs and services to address the sometimes unique needs of veterans in starting and operating businesses.

A primary focus of the Centers is to facilitate and provide instruction of the SBA's "Introduction to Entrepreneurship," known as "Boots to Business," which is a course offered within the Department of Defense Transition Assistance Program. The more recently introduced program "Boots to Business Reboot" brings the "Boots to Business" curriculum off military installations and into communities for veterans, members of the National Guard and Reserve, and military spouses. Other services provided by the Centers include pre-business plan workshops, entrepreneurial training, one-on-one counseling, and feasibility analysis of business plans and site locations. In addition to serving active duty entrepreneurs, the Centers serve service-disabled veterans and Reserve, Guard, and military spouse/survivor entrepreneurs, as well as any other small business owners interested in starting a new or expanding/diversifying an established small business.

The minimum federal contract for a Veteran Business Outreach Center is \$150,000 and the maximum is \$250,000. Unlike the other federal small business technical assistance programs, there are no matching fund requirements to draw-down these moneys. Pursuant to federal law/regulation, the program is annually measured by the number of businesses served, the number of one-on-one counseling hours provided, the number of jobs created, and the amount of capital raised.

California veterans and their spouses are served through a Sacramento-based nonprofit specifically dedicated to this contract and a community college-based nonprofit administered through MiraCosta College in Oceanside. The Sacramento-based center serves northern and central California, as well as Nevada. Santa Barbara, Ventura, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Imperial Counties are served by the MiraCosta College Center.

- 9) **Women's Business Center Program:** The Women's Business Center (WBC) program is sponsored by the federal SBA and was established to provide in-depth, substantive, and outcome-oriented business services to women entrepreneurs of both nascent and established businesses, including a representative number of which are socially and economically disadvantaged. The Women's Business Centers operate through a network of over 100 nonprofits nationally, including 12 nonprofit organizations in California.

The Women's Business Center program's budget is \$18 million for federal fiscal year 2017, which authorizes California to draw-down up to \$1.8 million in federal funds. Pursuant to federal regulations, the program is measured by successful business startups, job creation and retention, and increased company revenues.

California's network of women's business centers include:

- AnewAmerica Women's Business Center (East Bay, San Francisco area)
- AnewAmerica Women's Business Center (San Jose)
- Asian Pacific Islander Small Business Program WBC LTSC Community Development Corp. (Los Angeles)
- California Capital Financial Development Corporation (Sacramento)
- Coachella Valley WBC at California State University of San Bernardino
- Inland Empire Women's Business Center at California State University of San Bernardino
- Jefferson Economic Development Institute (Mount Shasta – serves 5 northern counties)
- Mendocino Women's Business Center @ West Company (Fort Bragg)
- Pacific Asian Consortium Employment (PACE) Women's Business Center (Los Angeles)
- Renaissance Entrepreneurship Center (San Francisco Bay Area)
- San Diego and Imperial Women's Business Center (Imperial and San Diego Counties)
- Women Business Partners Program at Mission Community Services Corp. (San Luis Obispo)
- Women's Economic Ventures (Santa Barbara)
- Valley Economic Development Center Women's Business Center (Santa Clarita and San Fernando Valley)

The Women's Business Center program is the smallest of the SBA programs, with each center receiving a maximum award between \$100,000 and \$185,000 per year in federal funds. In federal fiscal year 2018, Women's Business Centers helped to establish 372 new businesses and create 806 jobs in California. The Women's Business Centers provided one-on-one counseling to nearly 6,849 business clients, provided training in group settings to over 16,309 businesses, and helped clients access over \$38 million in capital.

- 10) **Minority Business Development Center Program:** The Minority Business Development Center (MBDC) program is administered by the U.S. Department of Commerce's Minority Development Agency. The program provides a range of services to minority-owned businesses seeking to expand to new markets, both foreign and domestic, including business consulting, private equity and venture

capital opportunities, and facilitating joint ventures and strategic partnerships. The primary focuses of the Minority Business Development Center program are the building of management capacity, job creation/retention resulting from facilitating contracts, and financing for medium-sized businesses.

The Minority Business Development Center Export Centers help businesses with identifying suitable foreign markets; matching and securing alternative sources of capital and financing, and educating minority-owned business owners of the benefits of strategic growth alternatives.

California has four Minority Business Development Centers, including:

- Fresno MBDA Business Center serves as a Native American Business Center and focuses, among other things, on helping entrepreneurs become procurement partners on High Speed Rail. The Fresno MBDA collaborates with Owens Valley Career Development Centers and reports serving over 5,500 tribal members from Stockton to Ventura County in California.
- Los Angeles MBDA Business Center provides core business services and is operated by the University of Southern California (USC) in partnership with the City of Los Angeles, Mayor's Office of Economic & Business Policy.
- Pasadena MBDA Business Center provides core business services and is operated by the So Cal Corporate Growth Partners.
- Sacramento MBDA Export Center provides core business services with a focus on exports. It is operated by the California Asian Pacific Chamber of Commerce.
- San Jose MBDA Business Center provides core business services and is operated by ASIAN, Inc. of San Francisco.

Reporting from the Sacramento, Fresno, and San Jose MBDAs for September 2017 through March 2019 shows 714 jobs created, 774 jobs retained, over \$390 million in export contracts and procurement transactions, and \$72 million in financial transactions as a result of MBDA assistance.

Preliminary numbers from the same MBDAs for activities undertaken with state support from the Small Business Program show 288 clients received one-on-one business counseling and 439 clients attended workshops, which includes some overlap in the case of a client accessing both resources.

11) **Proposed Amendments:** Below is a list of amendments the committee members may wish to review when considering the bill.

- a) Require the posting of all awards by organization, service area, and amount.
- b) Make other technical, nonsubstantive changes.

12) **Related Legislation:** Below is a list of bills from the current and prior sessions.

- a) ***AB 184 (E. Garcia) Small Business Technical Assistance Act of 2015:*** This bill would have designated the Governor's Office of Business and Economic Development as the lead entity for facilitating the state's engagement with five key federal small business technical assistance programs: the Small Business Development Centers, the Women's Business Center program, the Veteran Business Outreach Center program, the Service Corps of Retired Executives, and the Procurement Technical Assistance Cooperative Agreement program. Status: Held on the Suspense File of the Assembly Committee on Appropriations, 2015.

- b) **AB 837 (Campos) Economic Development Program Reporting:** As passed by JEDE, this bill would have required annual reporting to GO-Biz from the Small Business Development Center Leadership Council on its activities in any year that the state contributes funds. Amendments taken in the Senate deleted the content of the bill and added language relating to CalPERS with Assemblymember Wieckowski as the author. Status: Vetoed by the Governor, 2014. The veto message reads: *“This measure creates an exemption to the California Public Employees’ Pension Reform Act of 2013. I am unwilling to begin chipping away at these reforms.”*
- c) **AB 1632 (Assembly Budget Committee) Financing and Technical Assistance Funds for Small Businesses:** This bill provided \$32.35 million in funds for small business finance and technical assistance, which leveraged \$174 million in federal and in-kind funding. The \$32.35 million was allocated as follows: \$20 million was appropriated for use within the state Small Business Loan Guarantee Program; \$6 million to provide a federal match for California SBDCs to draw-down federal dollars; \$6 million for the California Capital Access Program for loss reserve programs; and \$350,000 to the Federal Technology Program to draw-down federal dollars. Status: Signed by the Governor, Chapter 731, Statutes of 2010.
- d) **AB 2206 (Price) Small Business Development Centers:** This bill would have re-established the California Small Business Development Center Program through the auspices of the Business, Transportation, and Housing Agency. Status: Held in Assembly Committee on Appropriations, 2008.
- e) **AB 1817 (Assembly Budget) Small Business Technical Assistance:** This bill establishes the Small Business Technical Assistance Expansion Program for the purpose of assisting small businesses through free and low-cost one-on-one counseling and low-cost training by entering into grant agreements within one or more federal small business technical assistance centers. Status: Signed by the Governor, Chapter 37, Statutes of 2018.
- f) **AB 2670 (Medina) Small Business Technical Assistance Centers:** This bill would have designated the Governor’s Office of Business and Economic Development as the lead state entity for overseeing the state’s participation and collaboration with the federal small business technical assistance programs. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014. As a result of this bill and AB 2717, \$2 million dollars was provided in the budget to the SBDCs for assisting small businesses in accessing capital.
- g) **AB 2717 (Bonta) Funding for Small Business Development Centers:** This bill would have appropriated \$6 million for the purpose of assisting SBDC Administrative Lead Centers in providing the mandatory match to draw-down federal funds. Status: Held on the Suspense File in the Assembly Committee on Appropriations, 2014. As a result of this bill and AB 2670, \$2 million dollars was provided in the budget to the SBDCs for assisting small businesses in accessing capital.
- h) **AB 2900 (JEDE) Small Business Centers Reporting:** As passed by JEDE, this bill would have required a state department that awards funds to a federal small business technical assistance center to report to the Legislature in the following year. Among other data, the department would be required to report on the number of businesses assisted, industry sectors of those businesses, and the general geographic location. Amendments taken in the Senate removed the contents of the bill and added the provisions in AB 2901 with amendments. As signed, this bill expands the mandatory annual reporting of data on the California Competes Tax Credit to include the city and county of the business location, and whether the business is located in areas of high

unemployment or high poverty, as specified. Status: Signed by the Governor, Chapter 582, Statutes of 2016.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on File

**Opposition**

None on File

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