

AMENDED IN ASSEMBLY APRIL 20, 2021

AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1072

Introduced by Assembly Member Reyes

February 18, 2021

An act to amend ~~Section~~ *Sections 12100.62, 12100.63, 12100.69, and 14845* of the Government Code, relating to small businesses.

LEGISLATIVE COUNSEL'S DIGEST

AB 1072, as amended, Reyes. Small businesses: *technical assistance*: public contracts.

~~Existing~~

(1) Existing law, the California Small Business Development Technical Assistance Expansion Act of 2018, creates the California Small Business Technical Assistance Expansion Program within the Governor's Office of Business and Economic Development, under the authority of the Director of the Governor's Office of Business and Economic Development, to assist small businesses through free or low-cost one-on-one consulting and low-cost training by entering into grant agreements with one or more federal small business technical assistance centers, as prescribed. Existing law, upon appropriation of funds by the Legislature, requires the office to make grants to federal small business technical assistance centers that the office determines meet specified eligibility criteria. Existing law requires the office to evaluate applications received based on prescribed factors, to prioritize funding for applications that best meet the factors, and give preference to applications that propose new or enhanced services to specified

underserved business groups. Existing law requires the use of state funds provided pursuant to the program to expand consulting and training services through existing and new centers, including satellite offices. These provisions are repealed as of January 1, 2024.

This bill would relocate the program within the Office of Small Business Advocate, under the direction of the Small Business Advocate. The bill would expand underserved business groups to be prioritized to include disadvantaged business enterprises. The bill would additionally require the use of state funds provided pursuant to the program to support a range of programs and services delivered through one or more small business technical assistance centers, as specified. The bill would also authorize the use of state funds provided pursuant to the program for certain purposes relating to small business technical assistance. The bill would extend the repeal date to January 1, 2027.

(2) Other existing law requires the Department of General Services' small business advocate, using existing resources, to provide certain services, including, but not limited to, to; developing and maintaining an outreach and education program to assist certified small businesses and certified disabled veteran business enterprises in establishing the California multiple award schedule (CMAS), actively promoting the availability of certified small business and certified disabled veteran business enterprise these suppliers to deliver or provide a broad range of goods and services to governmental agencies through their participation in the California multiple award schedule CMAS program, establishing a training and development program for acquisition professionals, including methods for structuring solicitations to enhance the participation of certified small businesses and certified disabled veteran business enterprises in state contracting, establishing a recognition and awards program, and preparing and making available to the public a directory of certified small business and certified disabled veteran business enterprise suppliers.

This bill would additionally require the Department of General Services' small business advocate to additionally conduct outreach and provide assist state agencies, in collaboration with the California Disabled Veteran Business Enterprise Program Advocate and the Small Business Advocate, in improving small business and disabled business enterprise procurement participation, as specified, including outreach and providing technical assistance to small businesses seeking certification to be eligible for additional small business assistance related to these provisions.

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. Section 12100.62 of the Government Code is
2 amended to read:

3 12100.62. Unless the context otherwise requires, the following
4 definitions ~~in this section shall~~ govern the construction of this
5 article:

6 (a) “California Small Business Development Center Program”
7 is ~~comprised~~ *composed* of the five regional networks of small
8 business development centers operating in the state pursuant to a
9 cooperative agreement between the fiscal agent and the federal
10 Small Business Administration.

11 (b) “Committed nonstate local cash match” means funding
12 awarded by a nonstate local source to a federal small business
13 technical assistance center through a letter of intent, notice of
14 award, or cash deposit.

15 (c) “Director” means the Director of the ~~Governor’s Office of~~
16 ~~Small Business and Economic Development.~~ *Advocate.*

17 (d) “Federal small business technical assistance center” means
18 an organization that contracts with a federal funding partner to
19 operate a small business development center, a women’s business
20 center, a veterans business outreach center, a manufacturing
21 extension partnership center, a minority business development
22 center, a procurement technical assistance center, or a similar
23 program within this state to support small businesses.

24 (e) “Federal funding partner” means the federal Small Business
25 Administration, federal Department of Commerce, federal
26 Department of Defense, or any other federal agency with the
27 authority to administer a small business technical assistance
28 program in this state.

29 (f) “Fiscal agent” means the entity with which a federal funding
30 partner contracts to administer small business technical assistance
31 programs within a state or district. The fiscal agent shall be directly
32 accountable to the federal funding partner for all aspects of the
33 specified small business technical assistance program, including
34 staffing, programming, outreach, securing any required matching
35 funds to draw down federal funds, and reporting performance

1 outcomes to operate the program in the fiscal agent’s area of
2 responsibility.

3 (g) ~~“GO-Biz” or “office”~~ “Office” means the ~~Governor’s Office~~
4 of ~~Small Business and Economic Development~~. *Advocate*.

5 (h) “Local cash match” means nonfederal funds that are spent
6 on eligible program costs.

7 (i) “Manufacturing extension partnership center” means a
8 California contractor recognized by the federal National Institute
9 of Standards and Technology pursuant to the Omnibus Trade and
10 Competitiveness Act of 1988 (Public Law 100-418), at which
11 small manufacturers can obtain information and assistance on new
12 technology acceleration, supply chain management, lean
13 processing, export development, sustainable manufacturing
14 practices, and other issues related to innovation.

15 (j) “Minority business development center” means an entity or
16 physical location, recognized by the federal Department of
17 Commerce, from which a minority-owned small business may
18 receive consulting and technical services to expand to new markets,
19 both foreign and domestic.

20 (k) “Minority business export center” means an entity or
21 physical location, recognized by the federal Department of
22 Commerce, from which a minority-owned small business may
23 receive consulting and technical services to increase access to
24 capital, contracts, and foreign markets.

25 (l) “Procurement act” means Chapter 142 (commencing with
26 Section 2411) of Part IV of Subtitle A of Title 10 of the United
27 States Code, which governs the Procurement Technical Assistance
28 Cooperative Agreement program, administered by the federal
29 Department of Defense.

30 (m) “Procurement technical assistance center” means an entity
31 or physical location, recognized by the federal Department of
32 Defense, from which a small business owner may receive free
33 training on a variety of topics, including starting, operating, and
34 expanding a small business.

35 (n) “Program” means the California Small Business
36 Development Technical Assistance Expansion Program created
37 pursuant to Section 12100.63 and administered in accordance with
38 this article.

39 (o) “Small business act” means the Small Business Development
40 Center Act of 1980 (Public Law 96-302), and any amendments to

1 that act, which authorizes the Small Business Development Center
2 Program, administered by the federal Small Business
3 Administration.

4 (p) “Small business development center” means to an entity or
5 physical location, recognized by the federal Small Business
6 Administration, from which a small business owner or an aspiring
7 entrepreneur may receive free one-on-one consulting and low
8 at-cost training on a variety of topics, including starting, operating,
9 and expanding a small business.

10 (q) “Veteran’s business act” means Section 657b of Title 15 of
11 the United States Code, which establishes the Office of Veterans
12 Business Development and governs veteran business outreach
13 centers, administered by the federal Small Business Administration.

14 (r) “Veterans business center” means an entity or physical
15 location, recognized by the federal Small Business Administration,
16 from which a small business veteran owner or an aspiring veteran
17 entrepreneur can receive free one-on-one consulting and low at-cost
18 training on a variety of topics including starting, operating, and
19 expanding a small business.

20 (s) “Women’s business act” means the Women’s Business
21 Ownership Act of 1988 (Public Law 100-533), and any
22 amendments to that act, administered by the federal Small Business
23 Administration.

24 (t) “Women’s business center” means an entity or physical
25 location, recognized by the federal Small Business Administration,
26 from which a small business owner or an aspiring entrepreneur
27 can receive free one-on-one consulting and low at-cost training
28 on a variety of topics including starting, operating, and expanding
29 a small business.

30 *SEC. 2. Section 12100.63 of the Government Code is amended*
31 *to read:*

32 12100.63. (a) The California Small Business Technical
33 Assistance Expansion Program is hereby created within the ~~office:~~
34 *Office of Small Business Advocate.*

35 (b) The program shall be under the direct authority of the
36 ~~director.~~ *Small Business Advocate.*

37 (c) The purpose of the program is to assist small businesses
38 through free or low-cost one-on-one consulting and low-cost
39 training by entering into grant agreements with one or more federal
40 small business technical assistance centers.

1 (d) In implementing the program, the office shall consult with
2 local, regional, federal, and other state public and private entities
3 that share a similar mission to support the needs of small businesses
4 in California.

5 (e) An applicant pursuant to this article shall be a federal small
6 business technical assistance center operating as a group, including
7 a regional or statewide network, or as an individual center.

8 (1) A federal small business technical assistance center operating
9 as a group consisting of centers organized under a coordinating
10 administrative or fiscal entity shall apply by submitting a single
11 consolidated application to the office.

12 (2) A federal small business technical assistance center operating
13 as an individual center shall apply by submitting a single
14 application for that center to the office.

15 (f) The office shall administer the program to provide grants to
16 expand the capacity of small business development technical
17 assistance programs in California, administered by and primarily
18 funded by federal agencies, that provide one-on-one confidential
19 consulting and training to small businesses and entrepreneurs in
20 this state. An applicant shall be eligible to participate in the
21 program if the office determines that the applicant meets all of the
22 following criteria:

23 (1) At the time of applying for funds, the applicant has an active
24 contract with a federal funding partner to administer a program in
25 this state, or has received a letter of intent from a federal funding
26 partner to administer a federal small business technical assistance
27 center program in this state within the next fiscal year.

28 (2) (A) The applicant provided a plan of action and commitment
29 to fully draw down all of the federal funds available using local
30 cash match and state funds not described in Section 12100.65
31 during the duration of the award period. GO-Biz may request that
32 the applicant provide details relating to the source and amount of
33 these nonstate local match funds.

34 (B) If the applicant is a new federal small business technical
35 assistance center, the applicant has demonstrated the ability to
36 fully draw down substantially all federal funds available to it.

37 (3) The requested funding amount does not exceed the total
38 federal award specified in the contract with the federal funding
39 partner contract, but in any event is no less than twenty five
40 thousand dollars (\$25,000).

1 (4) The applicant seeks funding for one or more years, but no
2 more than five years in duration.

3 (5) The grant agreements authorized by this article are not
4 subject to the model contract provisions developed pursuant to
5 Chapter 14.27 (commencing with Section 67325) of Part 40 of
6 Division 5 of Title 3 of the Education Code.

7 (6) The applicant has a fiscal agent that is able to receive
8 nonfederal funds.

9 (g) The office shall issue a request for proposal for grants under
10 the program, which may contain the following information:

11 (1) The eligibility requirements described in subdivision (e).

12 (2) The available funding range.

13 (3) Funding instruments.

14 (4) The local cash match requirement described in subdivision
15 (f).

16 (5) Operational capacity.

17 (6) The duration of the program.

18 (7) The start date of the program.

19 (8) Narrative requirements.

20 (9) Reporting requirements.

21 (10) Required attachments.

22 (11) Submission requirements.

23 (12) Application evaluation criteria.

24 (13) An announcement of an awards timeline.

25 (h) (1) The office shall evaluate applications received based
26 on the following factors:

27 (A) The proposed use of the requested funding, including the
28 specificity, measurability, and ability of the applicant to document
29 and achieve the goals and objectives identified in its application.

30 (B) The proposed management strategy of the applicant to
31 achieve its goals and objectives identified in its application.

32 (C) The applicant's ability to complement and leverage the work
33 of other local, state, federal, nonprofit, or private business technical
34 assistance resource providers.

35 (D) The applicant's historical performance with federal funding
36 partner contracts and the strength of its fiscal controls.

37 (2) The office shall prioritize funding for applications that best
38 meet the factors listed in paragraph (1) and give preference to
39 applications that propose new or enhanced services to underserved
40 business groups, including women, minority, and veteran-owned

1 businesses, and businesses in low-wealth, rural,~~—and~~
2 disaster-impacted ~~communities~~ *communities, and disadvantaged*
3 *business enterprises* included in a state or federal emergency
4 declaration or proclamation.

5 (i) (1) State funds provided pursuant to the program shall be
6 used to expand consulting and training services through existing
7 and new centers, including satellite offices. ~~State~~

8 (2) *State funds provided pursuant to the program may also be*
9 *applied to costs related to activities that will effectively expand*
10 *small business technical assistance to priority businesses, as*
11 *described in paragraph (2) of subdivision (h), including, but not*
12 *limited to, marketing, travel, and administrative costs, but those*
13 *costs shall not exceed five percent of the grant awarded pursuant*
14 *to this article.*

15 (3) State funds provided pursuant to the program shall not
16 supplant nonstate local cash match dollars included in a federal
17 small business technical assistance center’s plan described in
18 subparagraph (A) of paragraph (2) of subdivision (f).

19 (j) (1) *State funds provided pursuant to the program shall be*
20 *used to support a range of programs and services delivered through*
21 *one or more small business technical assistance centers, including,*
22 *but not limited to, business startups, business restructuring,*
23 *business expansion and retention, accessing capital, participating*
24 *in government procurement opportunities, becoming competitive*
25 *and maintaining competitiveness in foreign markets, regulatory*
26 *compliance, and emergency preparedness.*

27 (2) *State funds provided pursuant to the program may also be*
28 *utilized for emergent small business technical assistance activities,*
29 *such as those that are created in response to natural disasters and*
30 *other state of emergencies, economic crises, and new economic*
31 *market sectors and factors, such as cyber and technology*
32 *modalities.*

33 *SEC. 3. Section 12100.69 of the Government Code is amended*
34 *to read:*

35 12100.69. This article shall remain in effect only until January
36 1, ~~2024~~, 2027, and as of that date is repealed.

37 ~~SECTION 1.~~

38 *SEC. 4. Section 14845 of the Government Code is amended*
39 *to read:*

1 14845. Using existing resources, the Department of General
2 Services' small business advocate shall, at a minimum, provide
3 the following services:

4 (a) Assist certified small businesses and certified disabled
5 veteran business enterprises by providing information regarding
6 all of the following:

7 (1) Identification of potential certified small business and
8 certified disabled veteran business enterprise subcontractors and
9 potential subcontracting opportunities.

10 (2) Solicitation protest procedures and timelines.

11 (3) Prompt payment procedures.

12 (b) ~~Using existing resources, develop~~ *Develop* and maintain an
13 outreach and education program to assist certified small businesses
14 and certified disabled veteran business enterprises ~~to establish in~~
15 ~~establishing~~ the California multiple award ~~schedule. schedule, or~~
16 *CMAS*. The department shall actively promote the availability of
17 certified small business and certified disabled veteran business
18 enterprise suppliers to deliver or provide a broad range of goods
19 and services to governmental agencies through their participation
20 in the ~~California multiple award schedule program established~~
21 ~~pursuant to Chapter 2 (commencing with Section 10290) of Part~~
22 ~~2 of Division 2 of the Public Contract Code CMAS~~ and other types
23 of contracts established by state agencies for repetitively used and
24 commonly needed goods and services.

25 (c) Whenever the director consolidates the needs of multiple
26 state agencies and establishes a contract for repetitively purchased
27 or commonly needed goods or services, the director shall both
28 encourage bidders to utilize certified small business and certified
29 disabled veteran business enterprise suppliers and subcontractors,
30 and utilize multiple award methods whenever practicable to further
31 ensure that a fair proportion of needed goods and services are
32 obtained from certified small businesses and certified disabled
33 veteran business enterprises.

34 (d) ~~Using existing resources, establish~~ *Establish* a training and
35 development program for acquisition professionals, including
36 methods for structuring solicitations to enhance the participation
37 of certified small businesses and certified disabled veteran business
38 enterprises in state contracting.

39 (e) ~~Using existing resources, the~~ *The* department shall establish
40 a recognition and awards program for state employees who make

1 an outstanding contribution to the state’s overall effort to increase
2 the level of certified small business participation in state
3 contracting or certified disabled veteran business enterprise
4 participation in state contracting.

5 (f) Prepare, and make available to the public, a directory of
6 certified small business and certified disabled veteran business
7 enterprise suppliers.

8 (g) In its review of state agency acquisitions, the department,
9 as applicable, shall identify areas where improvements in the level
10 of participation of certified small businesses and certified disabled
11 veteran business enterprises in state contracting can be achieved.

12 ~~(h) Conduct outreach and provide technical assistance to small
13 businesses seeking certification to be eligible for additional small
14 business assistance related to this section.~~

15 *(h) Assist state agencies, in collaboration with the California
16 Disabled Veteran Business Enterprise Program Advocate,
17 appointed pursuant to Section 999.11 of the Military and Veterans
18 Code, and the Small Business Advocate, appointed pursuant to
19 Section 12098.3, in improving small business and disabled business
20 enterprise procurement participation. This shall include outreach
21 and providing technical assistance to small businesses seeking
22 certification to be eligible for additional small business assistance
23 related to this section. In undertaking the requirements of this
24 subdivision, the department and the advocates shall at least
25 annually consider how to align existing programs, services, and
26 initiatives.*

27 *(i) As used in this section, “California multiple award schedule
28 program” or “CMAS” means the multiple award schedule program
29 established pursuant to Chapter 2 (commencing with Section
30 10290) of Part 2 of Division 2 of the Public Contract Code.*

O