
JEDE AMENDMENTS

SB 1325 (Gonzales): As Amended May 19
Submitted by: Toni Symonds, JEDE Committee Staff

Summary of the Proposed Amendments

1. Make implementation contingent upon appropriation of funding
2. Transfer implementation of the program from GO-Biz to the Office of the Small Business Advocate, which is consistent with the current iHub program.
3. Require the first RFP being released within 120 days of funding being provided.
4. Provide additional key program elements, including, but not limited to:
 - a. Requiring applicants have prior experience in undertaking the grant activity and a fiscal agent that can accept nonfederal funds.
 - b. Authorizing multiyear grants, limited administrative costs, and partner organizations to help demonstrate organizational capacity to deliver on the grant.
5. Require annual reporting to the Legislature and posting of the report on the Advocate's website.

Mock-up of the Proposed Amendments

SECTION 1. Article 6.3 (commencing with Section 12099.8) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 6.3. California Techquity Innovation Program and Fund

12099.8. (a) Upon the appropriation of funds for the purposes of this article, the Office of the Small Business Advocate ~~The Governor's Office of Business and Economic Development (GO-Biz)~~ shall establish and administer the California Techquity Innovation Program, which shall ~~fund~~ provide grants or investments for the purpose of advancing that advance equity in tech technology-based business and finance sectors entrepreneurship in California. By funding, and support underserved and underrepresented entrepreneurs, technology accelerators, incubators, fully accredited institutions of higher education, local governments, and public-private partnerships, that successfully operate technology accelerators and incubators, these grants will that support, advise, and uplift underserved and underrepresented entrepreneurs.

(b) The office ~~Under the program, GO-Biz~~ shall ~~fund~~ award grants for, but not limited to, any of the following purposes:

(1) ~~Financial grants for~~ Expansion or operation of technology accelerators ~~and~~ incubators, operated by fully accredited institutions of higher education, local governments, and public-private partnerships that have demonstrated their ability to support minority-led, women-led, and lesbian, gay, bisexual, or transgender persons-led technology businesses and technology businesses led by persons with disabilities.

(2) Technical assistance, professional coaching, and formal mentoring of ~~to Financial grants for~~ underrepresented venture capital managers, including early and mid-career managers, and underserved entrepreneurs developing economic opportunities based in California.

(3) Workforce training initiatives operated by ~~Financial grants to fund~~ regional workforce development partnerships that advance equity in ~~tech~~ technology employment.

(4) ~~Research~~ Financial grants to fund research to evaluate the effectiveness of investing in equity entrepreneurship and workforce, including establishing partnerships with local, fully accredited institutions of higher education to lead these studies.

(c) ~~GO-Biz~~ The office shall provide priority to applicants that do either of the following:

(1) Provide services, technical assistance, and support that is not currently or adequately ~~funded~~ provided by a regional Inclusive Innovation Hub established pursuant to Article 6.2 (commencing with Section 12099.1) to underrepresented entrepreneurs.

(2) Demonstrate access to matching funds from local or federal programs, public-private partnerships, or venture capital managers who support underserved, equity-forward entrepreneurs.

(d) ~~GO-Biz~~ The office shall establish guidelines in order to maintain oversight of the California Techquity Innovation Program, including, but not limited to, guidelines for grant approval, program operations, and reporting by grant recipients, which include but are not limited to the following:

(A) Applications shall identify the proposed use of the funds and include benchmarks or milestones with approximate timelines as to when they will be achieved.

(B) Applicants shall demonstrate prior ability to successfully undertake the proposed grant activities, which may include the experience and capacity of a partner organization.

(C) Applicants may request funding for one or more years, but no more than three years in duration.

(D) Grantees may use up to 15% of grants for administrative costs.

(E) Applicants shall identify a fiscal agent for the proposed grant that is able to receive nonfederal funds.

(F) Conditions and requirements for drawing down grant funds that shall be included in a written grant agreement between the office and a selected grant recipient.

(G) A dispute resolution process.

(H) As a condition of receiving the funds, the grantee shall agree to the following:

(i) Comply with reporting requirements, as set by the office.

(ii) Request demographic information from businesses and asset managers served by the grant funds.

(e) (1) The office shall issue a request for proposals to award grant funds within 120 days after funding has been appropriated for the purposes of this article.

(2) Grants made pursuant to this article shall be evaluated using criteria consistent with the guidelines adopted by the department pursuant to this article.

(f) The California Techquity Innovation Fund is hereby established in the State Treasury, to be administered by ~~GO-Biz~~ the office. Moneys in the fund, upon appropriation by the Legislature, shall be used by ~~GO-Biz~~ the office to implement and administer this article.

(g) The office shall report to the Legislature on program activities undertaken pursuant to this article during the prior fiscal year, including recommendations for improvement.

(A) The first report shall be due on January 15, following the first fiscal year in which funding is provided to implement any portion of this article.

(B) This reporting requirement may be met separately or the information may be included in the annual report required by subdivision (b) of Section 12098.4.

(C) The report shall be posted on the website of the Office of the Small Business Advocate.