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**SENATE COMMITTEE ON  
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**  
Senator Richard Roth, Chair  
2021 - 2022 Regular

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**Bill No:** AB 1072  
**Author:** Reyes  
**Version:** May 24, 2021  
**Urgency:** No  
**Consultant:** Dana Shaker

**Hearing Date:** June 30, 2021

**Fiscal:** Yes

**Subject:** Small businesses: technical assistance: public contracts

**NOTE:** *Double-referral to the Senate Committee on Governmental Organization, Second*

**SUMMARY:** Relocates the existing California Small Business Technical Assistance Expansion Program (TAEP) within the Governor's Office of Business and Economic Development (GO-Biz) to the Office of Small Business Advocate (OSBA). Expands underserved business groups to be prioritized to include disadvantaged business enterprises. Requires 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. Authorizes the use of state funds certain purposes relating to small business technical assistance. Extends the repeal date to January 1, 2026. Requires Department of General Services' (DGS) to assist state agencies, as specified.

**Existing law:**

- 1) Establishes GO-Biz within the Governor's Office for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth. (Government Code (GC) §§ 12096 – 12098.5)
- 2) Authorizes 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. Authorizes GO-Biz, in this capacity, to 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. Authorizes GO-Biz to 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. Authorizes GO-Biz to support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business. (GC § 12096.3)
- 3) Establishes the California Small Business Development Technical Assistance Expansion Act of 2018, which creates the California Small Business Technical Assistance Expansion Program within 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. (GC § 12100.60 *et seq.*)

- 4) Requires, upon appropriation of funds by the Legislature, the office to make grants to federal small business technical assistance centers that the office determines meet specified eligibility criteria. (GC § 12100.63)
- 5) 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. (GC § 12100.63 (h)(1))
- 6) 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. (GC § 12100.63 (i))
- 7) Requires provisions 3-6 are repealed as of January 1, 2024. (GC § 12100.69)
- 8) Requires the DGS small business advocate, using existing resources, to provide certain services, including, but not limited to:
  - a) 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);
  - b) actively promoting the availability of these suppliers to deliver or provide a broad range of goods and services to governmental agencies through their participation in the CMAS program;
  - c) establishing a training and development program for acquisition professionals; and
  - d) 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. (GC § 14845-14847)

**This bill:**

- 1) Relocates the existing program within the OSBA under the direction of the Small Business Advocate.
- 2) Expands underserved business groups to be prioritized to include disadvantaged business enterprises.
- 3) Requires 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.
- 4) Authorizes the use of state funds provided pursuant to the program for certain purposes relating to small business technical assistance.

- 5) Extends the repeal date to January 1, 2026.
- 6) Requires the DGS small business advocate to 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.

**FISCAL EFFECT:** According to the Assembly Appropriations Committee, this bill will result in one-time General Fund costs of \$17 million annually for three years to provide grants to extend the TAEP. This estimate assumes funding for the program is kept at its current rate. The bill will also result in one-time General Fund costs of \$278,000 annually for three years to GO-Biz, beginning in the 2023-24 fiscal year, for staff to operate the Small Business Technical Assistance Expansion Program under the program extension and minor and absorbable GF costs to DGS and GO-Biz to provide additional assistance to state agencies participating in small business and disabled business enterprise procurement activities and provide technical assistance.

**COMMENTS:**

1. **Purpose.** The Author is the Sponsor of this bill. According to the Author, “AB 1072 addresses a key challenge to the state’s targeted procurement participation program, the need to expand the number of small business’ in government procurement. Many small businesses would like to partner with the state but have difficulty navigating the procurement process. Technical Assistance programs exist to applicants navigate the public contracting process but many businesses don’t have the technical capacity to get certified in order to even participate in public contracting. Additional focus on small business participation in the public contracting process as well as a providing technical assistance to navigate the certification process would help remedy this problem.

AB 1072 will help small businesses by requiring DGS to assist state agencies in improving small and disabled business participation in state procurement, adds “disadvantaged business enterprise” to the priority list of entities under TAEP, and requires TAEP funds be used to support programs and services such as increasing small business participation in government procurement opportunities. The Technical Assistance Expansion Program is a program housed within GO-Biz that provides \$17 million each year to expand small business services, such as free or low-cost one-on-one consulting and low-cost training. The program’s funding is focused on services to underserved business groups, including women, people of color, veterans and low-wealth, rural, and disaster impacted communities. This bill will expand those services to get more small businesses ready and able to bid on state contracts. The bill also creates a more decisive programmatic relationship between the state’s small business procurement advocates and the statewide network of 80+ small business technical assistance centers which participate in the SB TAEP.”

## 2. Background.

GO-Biz. In February 2010, the Little Hoover Commission undertook a review of the state's economic and workforce development programs. In its final report, *Making up for Lost Ground: Creating a Governor's Office of Economic Development*, it analyzed the status and effectiveness of current programs since the 2003 demise of the Technology, Trade and Commerce Agency (TTCA) and recommended the creation of a new governmental entity to fill the void left by the dismantled agency.

The report called for a single entity that would promote greater economic development, foster job creation, serve as a policy advisor and deliver specific services (i.e., permitting, tax, regulatory, and other information) directly to the California business community. In April 2010, Governor Schwarzenegger issued Executive Order S-05-10 as a means to operationalize the report recommendations including the creation of the Governor's Office of Economic Development (GOED).

In October 2011, the Governor signed AB 29 (John A. Pérez, Chapter 475, Statutes of 2011), which effectively codified GOED and changed its name to GO-Biz. Since its inception, the office has served thousands of businesses, 95 percent of which are small businesses. The most frequent types of assistance include help with permit streamlining, starting a business, relocation and expansion of businesses, and regulatory challenges.

In March 2012, Governor Brown initiated a reorganization process to realign the state's administrative structure. Key changes include dismantling of the Business, Transportation and Housing Agency (BTH) and the shifting of a number of key programs 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 (IBank). Currently, GO-Biz administers the following programs and units:

- “Made In California” program for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California.
- Innovation Hub (iHub) program, an effort to harness and enhance California's innovative spirit
- The California Competes Tax Credit Program under which “businesses who want to come to California or stay and grow in California” can receive an income tax credit.
- The California Business Investment Services Unit, which provides no-fee, tailored site selection services to employers and others who may be considering California for relocation or expansion.
- The California Business Portal, which provides information to California businesses about common questions, permitting, financial options, and more.

- The California Community Reinvestment Grants Program, which was included in Proposition 64, authorized GO-Biz to award grants to local health departments and certain nonprofit organizations to support communities disproportionately affected by the War on Drugs.
- Office of the Small Business Advocate which provides information and assistance to small businesses.
- The Zero Emission Vehicles (ZEV) Infrastructure Unit which works to “accelerate the deployment of ZEV infrastructure
- The International Affairs and Business Development Unit, which serves as California’s primary point of contact for expanding international trade and investment relations. This unit focuses on foreign direct investment (services for foreign investors, foreign investment technical assistance, and the EB-5 Investor Visa Program), international trade promotion (STEP program, trade missions, export assistance, and the California-China Trade Office), and international agreements.

*SB TAEP at GO-Biz.* In 2018-2019, GO-Biz received \$23 million in General Fund allocations to support three grant programs for small business technical assistance centers in California. According to GO-Biz’s website, “The Small Business Technical Assistance Expansion Program (SB TAEP) provides \$17 million each year through 2022-23 to expand small business services, such as free or low-cost one-on-one consulting and low-cost training. The program’s funding is focused on services to underserved business groups, including women, people of color, veterans and low-wealth, rural, and disaster impacted communities. The program allocates funding through a competitive grant process each year.

The 2018/19 budget also included the continuation of \$3 million in annual funding through 2022-23 for the Capital Infusion Program (CIP), which supports one-on-one business consulting provided by the Small Business Development Network to assist small businesses in accessing capital. The 2018/19 budget also allocated \$3 million in one-time local cash match grants for the Technical Assistance Program (TAP) which supports other federal small business technical assistance centers. This one-time local cash match grant sunsets September 30, 2019.”

*The Impact of This Bill.* This bill seeks to provide new funding for the program that is due to expire in the 2022-23 fiscal year. The bill would also change the existing program by doing the following:

- Relocating the existing program within the OSBA, under the direction of the Small Business Advocate.
- Expands underserved business groups to be prioritized to include disadvantaged business enterprises.

- Requiring 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.
  - Authorizing the use of state funds provided pursuant to the program for certain purposes relating to small business technical assistance.
  - Extending the repeal date to January 1, 2026.
  - Requiring the DGS small business advocate to 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.
3. **Arguments in Support.** Generally, supporters argue that this bill creates a more decisive programmatic relationship between the state's small business procurement advocates and California's network of 80+ small business technical assistance centers which participate in the TAEP.

California Heritage Farms and Paramount Safety Supply write in support: "During this COVID19 Pandemic, small businesses have been crippled. Now more than ever, small businesses need the support, guidance, and resources made available by the SBDC. I am providing my support for the SBDC to receive continued state funding so that we, the economic driver of the state, can continue to survive, recover, and strengthen our business to achieve success."

## **SUPPORT AND OPPOSITION:**

### Support:

A Tooth Doctor for Kids  
 Able Beverage  
 Accion Opportunity Fund  
 Acqubit  
 Air-e-con LLC  
 All Family Chiropractic Care & Massage  
 Anaheim Stars LLC  
 Anita K Hansen Executive Coach and Consulting  
 Arise to Greatness  
 Aromax Health  
 Arroyo West LLC  
 Asian Business Association of San Diego  
 Association of Financial Development Corporations (FDCS); the  
 Aura Seating  
 Avalon Tax & Financial Consulting Services  
 Axion Medical INC.

Baby-tech Innovations INC. Dba Infanttech  
Banners USA  
Barbo Beauty Salon  
Ben & Jerry's  
Bifrost Creative Ventures  
Biopico Sysyems INC.  
Blooms N Bees  
Bly Construction Services  
Botanica Santa Isabel  
Bunker Hill Tower  
Butte-glenn Community College District  
California African American Chamber of Commerce  
California Asian Pacific Chamber of Commerce  
California Association of Orthodontists  
California Capital Financial Development Corporation  
California Heritage Farms  
California Hispanic Chambers of Commerce  
California Metals Coalition  
California's Women's Business Centers  
Cameo - California Association for Micro Enterprise Opportunity  
Canyon Springs Plaza LLC  
Capital Technology  
Carson Chamber of Commerce  
Cathedral City Senior Center  
Celestina, INC.  
Celitech  
Central Courier & Hospitality Services INC.  
Ceos in The Black  
City of Brentwood  
City of Pasadena  
City of San Mateo  
City of Santa Monica  
City of Torrance  
City of Vallejo  
Claudia Benitez, Realtor  
Clerian INC.  
Coalition of Small & Disabled Veteran Business  
Coldwell Banker Best Realty Fullerton CA  
Concurrent Productions  
Continental Cleaners  
Cosmetic and Dental Implant Center  
Countless Endeavors  
Creative Cabinetry and Millworks  
Creative Confluence, INC.  
Creative Solutions Marketing and Printing  
Critical Literacy Arts  
Darcy Media Worldwide  
Deborah Siegel, LLC  
Delicious Food Corner  
Depict INC

Derose Display  
Design Studio 312  
Dovetail Partners  
Duarte Chamber of Commerce  
El Monte/south El Monte Chamber of Commerce  
Empowered Mind Wellness LLC  
English Works  
Entertwine  
Essence Hospice  
Ev Charging Services, LLC  
Event Santa Cruz  
Ezer + Co.  
Fack Ink  
Fanta Cleaners INC.  
Felize Graphics  
Flasher Barricade Association  
Freckled Frog  
Fun Fur U - Antelope Valley, LLC  
Gardena Valley Chamber of Commerce  
Genesis New Beginning  
Girls Fights Back  
Glendora Chamber of Commerce  
Goodfaith Medical Transportation Co, INC.  
Greater Stockton Chamber of Commerce  
Groguru INC.  
Harbour Electric  
Healing H2)s, LLC  
Higher Performing Processes, LLC  
Hip Merch, LLC  
Inn At Palm Springs  
Innerline Engineering  
Innovate Pasadena  
Inside Outside Circle Foundation  
J.c. Ultimate Property  
Jade Bazaar Jewelry  
Jancyn Evaluation Shops  
Jiandee Biomedical Research  
Jimaye LLC  
Jon Paulo Salon  
K & a Food Services INC.  
Karissa Castro  
Kellie Sue Peters Entertainment & Events  
Kinetic Chain  
LA Bolsa De Valores  
Lacnation LLC  
Lancaster Alloys Company, INC.  
Landon HR Consulting  
Lanz and Swinney, INC.  
Laopan, INC. DbA Worldwide Image Resources  
Laura E Cano, Alfa Independent Agent for Aflac



Lawyers Committee for Civil Rights of The San Francisco Bay Area  
Legal Prep Help  
Lisa Delores Wellness Through Meditation  
Lively Up Your Breath, LLC  
Long Term Print  
Lyn Adelstein and Associates  
Main Street Launch  
Manteca Chamber of Commerce  
Marsha Judd Studio Designs  
Mbkv LLC Dba Popwhite  
Media & Repertoire  
Mental Health Hookup  
Michael Loleng, Tennis Teaching Professional  
Mirjahangir Engineering Corp.  
Mobile Video Systems INC.  
Momentum Promotional Products  
Moonbeam Studios, INC.  
Mortgage Link 1 INC.  
Mose-bread  
Muvn, INC.  
My Just Checking in Healthcare Specialists  
Nail Blvd Dba Ngoc Loan Huynh  
Napa Valley College  
National Association of Women Business Owners - California  
National Association of Women Business Owners California - Sacramento Valley  
Chapter  
National Federation of Independent Business - California  
Neo Escape Rooms  
Newman Counseling Center  
Nimiano Spices INC  
Nin's Bridal Couture  
Nonprofit Growth Advisors  
Nosta Sauna Lounge  
Nuwave Communications  
Ohlone College  
Omar Valle Photography  
On the Fly Services, INC.  
Optimized Financial  
Orange County Medical Billing, INC.  
Orange County Orthopaedics & Sports Medical Group, INC.  
Pacific Asian Consortium in Employment  
Pacific Dance  
Pacific Demo INC.  
Paramount Safety Supply  
Pasadena Bio Collaborative Incubator  
Pasadena City College  
Paul C Dozier, LTD Liability Co.  
Pentad Design Corp.  
Pieces of Boh Sweet Desserts  
Pocket Chefs INC.

Pusher, INC.  
Rail to Rail Logistics, LLC  
Real Work From Home Job and Business Opportunities  
Reclaim Possibility  
Redan Medical Dba Redan Home Health  
Resoria Limited INC.  
Restaurant Success Center  
Revel Public House  
Rise Up Athletics  
Rochie's Originals  
Rosemead Chamber of Commerce and Visitor Information Center  
Rupert Construction Services, INC.  
S & D Industrial Tool Supply, INC.  
Sacramento Metropolitan Chamber of Commerce  
San Diego Regional Chamber of Commerce  
San Gabriel Chamber of Commerce  
San Joaquin County Economic Development Association  
Sand Castle Restaurant Group  
Santa Cruz County Business Council  
Santa Cruz County Chamber of Commerce  
Santa Cruz New Tech Meetup  
Santa Cruz Works, INC.  
Sierra Business Council  
Silicon Valley Consulting Group  
Singing for A Living  
Sk Simple Solutions  
Small Business California  
Small Business Majority  
Social Artistry LLC  
Sona Baghdassarian  
Sonoma County Economic Development Board  
South Coast Psychiatry  
Southern California Black Chamber of Commerce  
Spoiled Dog Designs  
Sticker Planet  
Sungate Records  
Symbiocelltech, LLC  
Symmetry Eight Studio  
Taking Shape LLC  
Tap Electronics  
Tara Food Services, INC.  
Tasha Homes LLC  
Taste and Company  
Telescope Group LLC  
Thai Nguyen Atelier  
The Champion Media, INC.  
The Creamery Cafe  
The Dog Zone  
The Mark USA  
The Sterling Firm, ApIc

The Way Resource Center  
Tis Visa Corp.  
Titan Constructor Engineering  
TMC Community Capital  
Toast Kitchen and Bakery  
Torito Liquor  
Torrance; City of  
Trans Ad, INC  
Transcend Expression  
Trinity Contracting Concepts INC  
Truckee Chamber of Commerce  
Ultrasystems Environmental, INC.  
Upland Auction LLC  
Vallejo Chamber of Commerce  
Ventress Click Ventures  
Vintrals INC. Medea & Associates, INC.  
Visual Terrain, INC.  
Vitro Mortgage Referral  
Water Heater Man, INC.  
Wed-rite, INC.  
Well  
West Point Medical Center  
Wheatley Music  
Wondertent Parties  
Workforce Alliance of The North Bay  
Workforce Development Board of Contra Costa County  
Working Solutions  
Yreka Truck Stop  
Zin American Bistro

Opposition:

None received

**-- END --**