

# AB 184 (Eduardo Garcia)

## Small Business Technical Assistance Act of 2015

### **Summary**

AB 184 designates the Infrastructure and Economic Development Bank 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 Woman's Business Center program;
- The Veteran Business Outreach Center program;
- The Service Corps of Retired Executives; and
- The Procurement Technical Assistance Cooperative Agreement program.

In the last decade, federal money that could have gone to support California small businesses was re-directed to other states because California was unable to fully match the allocated federal dollars.

While AB 184 does not appropriate funding for the federal match, the bill does lay the foundation for the Legislature and the Governor having a more meaningful discussion regarding financial support for small business technical assistance.

### **Background**

California's dominance in many economic areas is based, in part, on the significant role small businesses play in the state's \$2 trillion economy.

Businesses with no employees make up the single largest component of businesses in California, 2.8 million out of an estimated 3.5 firms in 2010. Microenterprises, meaning businesses with less than five employees, represent approximately 93% of all businesses in the state, or approximately 3.2 million of all businesses. Further, businesses with less than 100 employees hire 37% of all workers.

Among other advantages, small businesses are crucial to the state's international competitiveness and are an important means for dispersing the positive economic impacts of trade within the California economy. California small businesses comprised 96% of the state's 60,000 exporters in 2009, which accounted for over 44% of total exports in the state.

The federal Small Business Development Center (SBDC) Program is the leader in providing small business owners and entrepreneurs with the tools and guidance needed to become successful in today's challenging economic climate. Each regional center offers comprehensive business guidance on business issues including, but not limited to; business plan development, startup basics, financing, regulatory compliance, international trade, and manufacturing assistance. Funding for the program is provided, in part, by the U.S. Small Business Administration and local partners.

Last year the California SBDCs advised more than 65,000 clients through its core small business advising and training program, as well as through its wide array of specialty programs.

The California SBDC network serves businesses throughout California with over 30 permanent and satellite office.

The federal government sets aside approximately \$12 million annually, which may only be drawn down through a dollar-dollar-for dollar match by the SBDCs. California has the opportunity to drawdown slightly more than 11% of the national program.

### **Anticipated Support (partial list)**

- California Association for Micro Enterprise Opportunity
- California Asian Chamber of Commerce
- California Hispanic Chamber of Commerce
- Coachella Valley Economic Partnership
- Small Business California

### **Staff Contact**

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