

AMENDED IN SENATE SEPTEMBER 3, 1999

AMENDED IN SENATE AUGUST 24, 1999

AMENDED IN SENATE AUGUST 17, 1999

AMENDED IN SENATE JULY 7, 1999

AMENDED IN ASSEMBLY MAY 28, 1999

AMENDED IN ASSEMBLY MAY 25, 1999

AMENDED IN ASSEMBLY APRIL 20, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1534

Introduced by Assembly Member Runner
(Principal coauthors: Senators Chesbro and Polanco)
(Coauthors: Assembly Members Aroner, Ashburn, Bock,
Olberg, and Strom-Martin)

February 26, 1999

An act to amend Section 18238 of, and to add Section 18239.5 to, the Welfare and Institutions Code, relating to public social services, and making an appropriation therefor. *services.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1534, as amended, Runner. Microenterprise development.

~~Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law~~

~~provides for the CalWORKs program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low income families.~~

Existing law permits the State Department of Social Services, with the consent of participating counties, to implement demonstration projects to provide self-employment training and technical assistance to CalWORKs recipients and persons at risk of receiving these benefits.

This bill would authorize the Trade and Commerce Agency to issue Microenterprise Technical Assistance Grants to microenterprise assistance providers who assist current and former CalWORKs program beneficiaries and parents eligible for a CalWORKs diversion program at the county level, including assistance in establishing a microenterprise. It would modify the definitions of a microenterprise and a microenterprise assistance provider for purposes of the existing demonstration project provisions and apply those provisions to the bill.

~~This bill, in addition, would appropriate \$5,000,000 from the federal TANF block grant funds received by the state to the Trade and Commerce Agency provided that would provide that the grant program shall not be implemented unless funding is obtained in the 2000-01 Budget Act, and matching funds are available for purposes of these technical assistance grants.~~

Vote: majority. Appropriation: ~~yes~~ *no*. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of
- 2 the following:
- 3 (a) Microenterprise is an effective way to supplement
- 4 job creation and help individuals become self-sufficient or
- 5 move their families off welfare.
- 6 (b) Individuals who seek to create their own
- 7 employment opportunities through microenterprise
- 8 could benefit from training, technical experience, access



1 to capital, and support services as they seek to become
2 self-sufficient through self-employment.

3 (c) Examples of microenterprise include child
4 development services, landscaping businesses, building
5 maintenance and cleaning services, desktop publishing,
6 and food production and retailing.

7 (d) It is the intent of the Legislature to expand access
8 of individuals to microenterprise training in order to
9 create new jobs that contribute to self-sufficiency and
10 family support.

11 SEC. 2. Section 18238 of the Welfare and Institutions
12 Code is amended to read:

13 18238. For the purposes of this article:

14 (a) “Microenterprise” means a small business, of five
15 or fewer employees, in which an individual works as his
16 or her own employer. Microenterprise businesses include
17 service, retail, and production businesses.

18 (b) “Microenterprise assistance provider” means a
19 public agency or a nonprofit agency meeting the
20 requirements of Section 501(c)(3) of the federal Internal
21 Revenue Code, that is exempt from taxation under
22 Section 501(a) of the Internal Revenue Code that
23 provides self-employment training, technical assistance,
24 and access to microloans to individuals seeking to become
25 self-employed or to expand their current business.

26 SEC. 3. Section 18239.5 is added to the Welfare and
27 Institutions Code, to read:

28 18239.5. (a) In addition to the demonstration
29 projects established pursuant to Section 18239, the Trade
30 and Commerce Agency shall award grants in accordance
31 with this section.

32 (b) The Trade and Commerce Agency shall issue
33 Microenterprise Technical Assistance Grants to
34 microenterprise assistance providers that assist
35 microenterprises owned or operated by, or employing
36 CalWORKs recipients or those at risk of receiving
37 CalWORKs benefits, and that are expanding an existing
38 business or starting a new business. “Assistance” includes
39 assistance to persons to establish a microenterprise or to
40 support or expand an existing microenterprise. One of



1 the counties in which grants shall be issued shall be Los
2 Angeles County. In addition, grants shall be issued in at
3 least one northern California county.

4 (c) The self-employment training shall include
5 development and evaluation of a business plan for
6 viability, capitalization of a microenterprise, assisting the
7 recipient to determine if self-employment is suitable to
8 the recipient's aptitudes and family dependent care
9 obligation, marketing strategies, business location
10 analysis, direct technical assistance in the development of
11 a microenterprise, and other subjects as necessary to
12 achieve proficiency in basic business skills. The training
13 shall include periodic assistance or case management, as
14 needed, for up to one year after the participant's
15 self-employment has commenced, to assist participants in
16 overcoming any initial difficulties.

17 (d) The Trade and Commerce Agency shall solicit
18 proposals from microenterprise assistance providers
19 seeking to obtain a grant under this section.

20 (e) Local microenterprise assistance providers shall,
21 in order to be eligible for grants under this section, have
22 at least two years' experience and demonstrated success
23 in providing assistance to recipients of CalWORKS
24 benefits and other low-income individuals to create their
25 own jobs through self-employment.

26 (f) The Trade and Commerce Agency shall
27 implement this section only if funds are appropriated for
28 the purposes of this section in any fiscal year in the annual
29 Budget Act.

30 ~~SEC. 4. The sum of five million dollars (\$5,000,000) is~~
31 ~~hereby appropriated from the federal Temporary~~
32 ~~Assistance for Needy Families block grant funds received~~
33 ~~by the state to the Trade and Commerce Agency;~~
34 ~~provided that~~

35 *(g) (1) This section shall only be implemented if*
36 *funds for its purposes are appropriated in the 2000-01*
37 *annual Budget Act, and if matching private nonstate and*
38 *public nonstate funds are available, for technical*
39 *assistance programs for microenterprises made up of*
40 *CalWORKs recipients, former CalWORKs recipients,*



1 and parents eligible for a CalWORKs diversion program
2 at the county level.

3 *(2) The Trade and Commerce Agency may fund*
4 *administrative costs of the grant program established by*
5 *this section from the interest earned on any funds*
6 *received pursuant to paragraph (1).*

7 *(h) The Trade and Commerce Agency shall work with*
8 *the State Department of Social Services in implementing*
9 *the grant program established by this section.*

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