
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

SB 656 (Richardson) - Small business: small business liaison

Version: April 21, 2025

Policy Vote: G.O. 12 - 0, B., P. & E.D. 11
- 0

Urgency: No

Mandate: No

Hearing Date: May 12, 2025

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Bill Summary: SB 656 extends the requirement for certain state agencies to designate at least one person as a small business liaison to all state agencies and requires the Small Business Advocate (SBA) within the Governor's Office of Business and Economic Development (GO-Biz) to post specified information received by each state agency's small business liaison on its website.

Fiscal Impact:

- Unknown total fiscal impact to GO-Biz to address workload related to the increase in the scale of the small business liaison network. To the extent this increase is significant, there may be cost pressures to the Office of the SBA (OSBA). However, GO-Biz anticipates overall costs to be absorbable, as OSBA currently has permanent, dedicated program staff to intake, track, and evaluate data from existing small business liaisons as part of its Equity in Procurement team.
- Unknown total fiscal impact across all state agencies to designate a small business liaison and report specified information to OSBA (various special funds). Fiscal impacts to state agencies may range from absorbable to more significant cost pressures. The actual impact to each state agency will depend on, among other things, whether a state agency already has staff acting in a small business liaison position, and if not, the extent that a new liaison's activities can be absorbed within the agency's existing resources.

For example, a small sample of departments—the Department of General Services (DGS), California Department of Food and Agriculture, Department of Consumer Affairs, and Department of Real Estate—anticipate costs associated with this bill to be minimal. This is because these departments already have a liaison and processes in place to report information on small business contracting activities, particularly through the Small Business/Disabled Veteran Business Enterprise Services program administered by DGS.

Background: Current law requires a state agency that significantly regulates small businesses or that significantly impacts small businesses to designate at least one person to serve as a small business liaison utilizing existing personnel and resources. State agencies are required to widely publicize the position of small business liaison on the agency's website. The Office of the SBA is also required to establish a web portal that includes the name, telephone number, internet website, and email of the small business liaison.

The small business liaison is responsible for specified duties relating to interactions between the state agency and small businesses, including assisting the head of the state agency in ensuring that the procurement and contracting processes of the state agency are administered in order to meet or exceed a 25 percent small businesses participation goal, and developing and sharing innovative procurement and contracting practices from the public and private sectors to increase small business participation in state contracting and procurement.

Other responsibilities include receiving and responding to complaints received by the agency from small businesses, providing technical advice and assisting small businesses resolving problems and questions regarding compliance with the agency's regulations and statutes, and reporting small business concerns, and if appropriate, reporting recommendations to the agency secretary or to the agency head.

Proposed Law:

- Extends the requirement for the designation of at least one person as a small business liaison to all state agencies.
- Requires the small business liaison for each state agency to annually submit the following information to the SBA:
 - A list of all current contracts between the state agency and a small business and all contracts of the state agency that include a subcontract with a small business.
 - The total dollar amount of each contract described above.
 - The total dollar amount paid to a small business under a contract or subcontract described above.
- Requires the SBA to post the information received by each state agency's small business liaison on its internet website.
- Makes other technical and conforming changes

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