

Golden (State) Advocacy and Education

Small Business California makes impact in unique environment

By Rob Yunich

Director of Communications

It's easy to lose your way in California. The most populated state in the U.S. has more than 50 congressional districts and is bigger than some countries. Things may be bigger in Texas, but the Golden State has a culture all its own.

Small businesses, therefore, struggle to find a voice amongst that sometimes-overwhelming climate—but one organization has discovered a way to navigate the terrain. Small Business California (SB-Cal), NSBA's newest affiliate, was founded in December 2004 by Scott Hauge—a small-business owner who devotes much of his time to advocacy.

"I founded the organization because I felt that the voice of grassroots small-business advocacy was not being heard in Sacramento on global issues," Hauge said. "These are issues that affect all small businesses—but would not be a top priority for trade associations, ethnic organizations or regional organizations."

Hauge, NSBA's 2007 Small Business Advocate of the Year and its vice chair of advocacy, has formed strong partnerships with Gov. Arnold Schwarzenegger, the state legislature, other organizations, and many of California's major media outlets. Hauge's contacts exceed 3,000—and he met many of those people during his years advocating for small businesses without the backing of an official organization.

SB-Cal employs a lobbyist, but for the most part, relies on the work of dedicated volunteers.

This year, the organization's priority issues—determined by an Internet survey—include health insurance, workforce/education, infrastructure, workers' compensation, regulations, taxation, and energy.

"In the health arena, we are recognized as one of the strongest advo-



NSBA FILE PHOTO

Small Business California Board Members (right-left) Scott Hauge, Hank Ryan, and Francis Laskey joined Lucien Wulsin Jr., director of the Insure the Uninsured Project, in a discussion of statewide issues during a 2005 NSBA event in Redondo Beach.

cates in Sacramento and speak weekly to the governor's point person and the president pro tem of the [state] Senate," Hauge said. "When the governor announced his health plan, we were part of a panel that responded to his announcement. In fact, we were the only small-business group that was represented."

Meanwhile, SB-Cal strongly supports workers' compensation reform measures that have reduced costs by about 65 percent over the last three-and-one-half years.

"We are the only small-business organization that is part of the governor's draft committee to merge workers' compensation and health insurance," Hauge said. "We are the only small-business organization on a fraud committee appointed by the insurance commissioner."

SB-Cal is sponsoring legislation (*S.B. 869*), which will go after employers who do not provide workers' compensation coverage. This is one of the major bills regarding workers' compensation in the state this year and Schwarzenegger is expected to sign it into law.

The Oakland-based Commission on Health and Safety and Workers' Compensation (CHSWC), a joint labor-management body that also

participates on the fraud committee, has been at the forefront of anti-fraud efforts to bring uninsured employers into compliance.

"CHSWC is pleased to be partnering with SB-Cal to achieve a level competitive playing field for employers and provide timely workers' compensation benefits for employees," CHSWC Executive Officer Christine Baker said.

ENERGIZING SMALL BUSINESS

SB-Cal's signature area, though, continues to be energy.

"SB-Cal is, without a doubt, one of the most significant organizations in California and the U.S. on small-business energy issues," Hauge said. "We got [Speaker of the House] Nancy Pelosi [D-Calif.] to make sure the House Committee on Small Business authored a small-business energy bill."

In March, Hauge testified before the Senate Committee on Small Business and Entrepreneurship on the issue as a representative of both NSBA and SB-Cal. The two organizations are steadfast in their belief that small businesses must be comprehensively involved in the effort if America is serious about confronting the specter of global climate change,

the deficiencies of its national energy policy—and the environmental, economic, and security threats posed by its oil dependence.

In August 2006, SB-Cal played a significant role in the passage of *Assembly Bill 32 (A.B. 32)*, the *Global Warming Solutions Act*—which limits the state’s global warming emissions to 1990 levels by 2020, providing incentives to businesses to reduce emissions through market mechanisms. With the passage of *A.B. 32*, California became the first state in the nation to limit statewide global warming pollution.

And SB-Cal was the first statewide organization to provide support of the landmark bill.

“Small Business California’s extraordinary leadership on environmental and energy issues is virtually unprecedented. They’ve helped win a voice for small business in environmental and energy policies not only in California, but in the nation as well,” said Byron Kennard, executive director for the Washington, D.C.-based Center for Small Business and the Environment. “Just as important, Small Business California has created a valuable model for action on environment and energy that other statewide small-business advocacy organizations can emulate.”

SB-Cal also is responsible for an U.S. Environmental Protection Agency grant that is dedicated to addressing market transformation in regarding energy efficiency—specifically addressing the food-service sector and financing development.

SB-Cal Executive Director Hank Ryan manages the organization’s grant activities. Ryan regularly meets with representatives of California’s investor-owned utilities to provide assistance in implementing on-bill financing and offering other opportunities to California small businesses



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— Byron Kennard (above)

during the process of financing new energy-efficient equipment.

“Energy efficiency is the smartest energy purchase a business can make,” Ryan said. “Cash flow is the single-most important barrier that stops these investments from being made and on-bill financing removes this barrier.”

In fact, zero-percent financing helps create new capital in these businesses as the funds used to pay for energy-efficiency improvements. The savings gives small businesses a change to use new capital to invest in their operations.

“Energy costs are increasing and

energy-efficiency opportunities are growing,” Ryan said. “SB-Cal works to develop solutions so that small businesses can lower energy costs, while providing the innovations needed to assure America’s energy independence.”

With the scope of SB-Cal’s advocacy continually increasing, the organization is gaining strength—and new members.

“The future of SB-Cal is bright. We have added several organizations to our affiliate membership and have gained Schwarzenegger’s respect—along with that of many members of the Democratic leadership—as the voice for grass-roots small business in California,” Hauge said. “We expect to continue to grow our membership both with individual small businesses and new affiliate members.”

And that future includes a strong partnership with NSBA.

“We provide a link for California small businesses to national legislation through our affiliation with NSBA,” Hauge said. “Like us, NSBA addresses global issues and truly represents grass-roots small business. Our affiliation adds value to our members and we encourage all of our members to join NSBA.”

Hauge and Ryan both currently serve on NSBA’s board. Hauge owns Cal Insurance and Associates, which specializes in providing insurance for small to medium-sized businesses. Founded in 1927, the firm currently has 32 employees. Ryan has worked in the energy efficiency field since 1980 and founded Efficiency Data and Development, based in Capitola. The company, as he describes it, “creates significant measurable improvements for energy-efficiency program design and implementation.”

For more information about the organization, please visit SB-Cal’s Web site, smallbusinesscalifornia.org. ★