



# SMALL BUSINESS ROUNDTABLE

MAY 20, 2021 CONVENING

Hosted by the Assembly  
Committee on Jobs, Economic  
Development, and the Economy  
Assemblymember Sabrina  
Cervantes, Chair

# WELCOME

Tara Lynn Gray has been  
Appointed by Governor Newsom as  
California's Small Business  
Advocate.

In this position, she also serves as  
the Director of the Office of the  
Small Business Advocate at GO-Biz





# WELCOME AND OVERVIEW

Agenda Item I

# AGENDA

- I. Welcome and Overview
- II. Economic Data
- III. Implementation of Economic Recovery Programs
- IV. Information Sharing of Economic Recovery Proposals
- V. Final Comments and Adjournment

# JEDE CHAIR ASSEMBLYMEMBER SABRINA CERVANTES

- Elected to the Assembly in 2016
- Served on the JEDE Committee for three terms, including two as Chair
- During the COVID-19 pandemic, Sabrina is focusing the Assembly Jobs Committee on tracking and disseminating information to stakeholders about resources available to help keep small businesses open and workers employed.
- The Assembly Jobs Committee regularly convenes stakeholder groups to exchange information, collaborates on small business outreach projects, and maintains a webpage with information about resources, free webinars, and recovery activities in California. <https://ajed.assembly.ca.gov/content/covid-19-resources>



# REMOTE TESTIMONY STATIONS (RTS)

Due to social distancing requirements, the Assembly is taking extra steps to assist you in making your voice heard.

In addition to toll-free call-in numbers, the State Assembly is hosting Remote Testimony Stations (RTS) on the North side of the Capitol.







# ECONOMIC DATA

Agenda Item II

# DATA POINTS

## FEDERAL Unemployment – 6.1% (April 2021)

- ❖ US nonfarm payroll employment increased by 266,000 in April 2021, and the unemployment rate was 6.1% with 9.8 million people unemployed.
- ❖ Job growth slowed in April with gains in leisure and hospitality, other services, and local government education being partially offset by employment declines in temporary help services and in couriers and messengers.
- ❖ The April 2021 unemployment rates: 13.9% for Teenagers, 5.6% Adult Women, 6.1% Adult Men, 9.7% for Blacks, 7.9% for Hispanics, 5.7% for Asians, 5.3% for Whites.
- ❖ The labor force participation rate was 61.7%, 1.6% lower than February 2020.
- ❖ There were 5.2 million persons not in the US labor force who currently want a job, 845,000 higher than in February 2020.

## CALIFORNIA Unemployment – 8.3% (March 2021)

- ❖ Total nonfarm employment in CA for March 2021 was 17.3 million, reflecting an increase of 10,000 jobs from the prior month. Down - 5.3% from the prior year.
- ❖ CA reported over 1.5 million unemployed individuals for the month of March 2021, this is 80.6% higher than March 2020. Labor participation rate of 60.8% - down -0.9% from the prior year.
- ❖ Between March 2020 to March 2021, CA employment was down-nearly one million workers (962,000).
- ❖ March 2021 unemployment rates: 24.5% for Teenagers, 13.9% for Blacks, 12.5% for Hispanics, and 10.8% for Whites.
- ❖ 12.1 million people in CA received some form of unemployment-related benefits, in the week ending May 15, 2021.
- ❖ \$145 billion paid to out of work Californians since start of pandemic.
- ❖ Over 1.1 million people worked part time involuntarily, also called “for economic reasons” increased by 439,000 (65.1%) since March 2020.



# EMPLOYMENT IMPACTS OF COVID-19 PANDEMIC

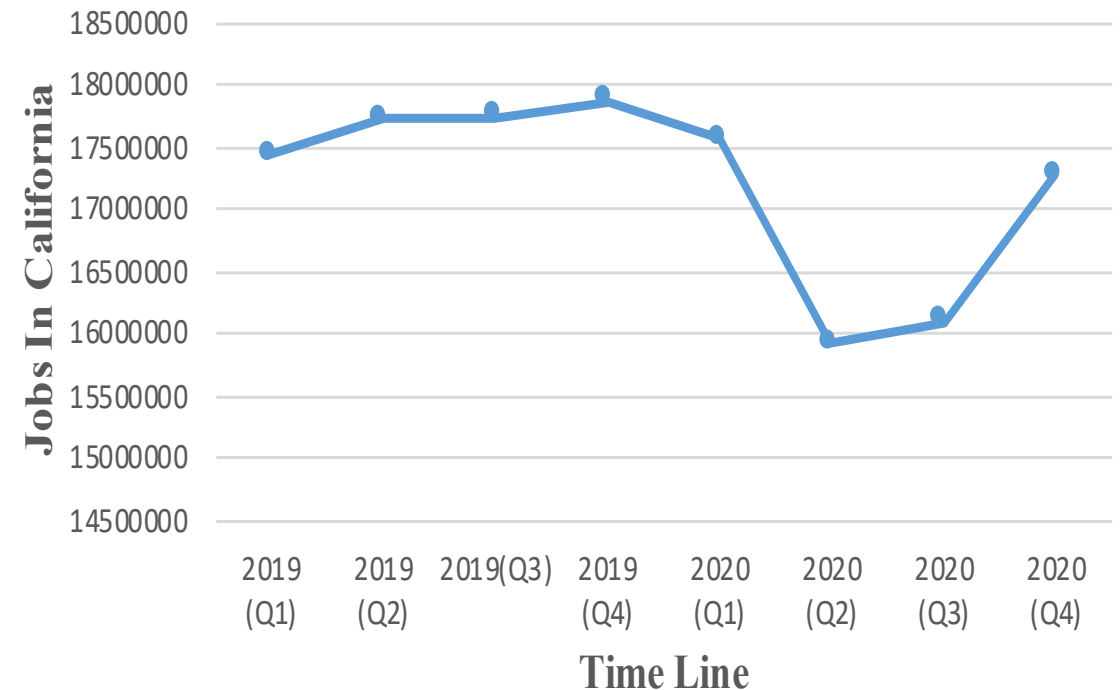
California entered the COVID-19-induced recession with historically low unemployment.

Between the Fourth Quarter in 2019 and the end of the Fourth Quarter in 2020, there was a 3.3% decline in California employment.

The largest decline in 2020 was a 9.39% drop in the Second Quarter, which was followed by a small increase of 1.17% in the Third.

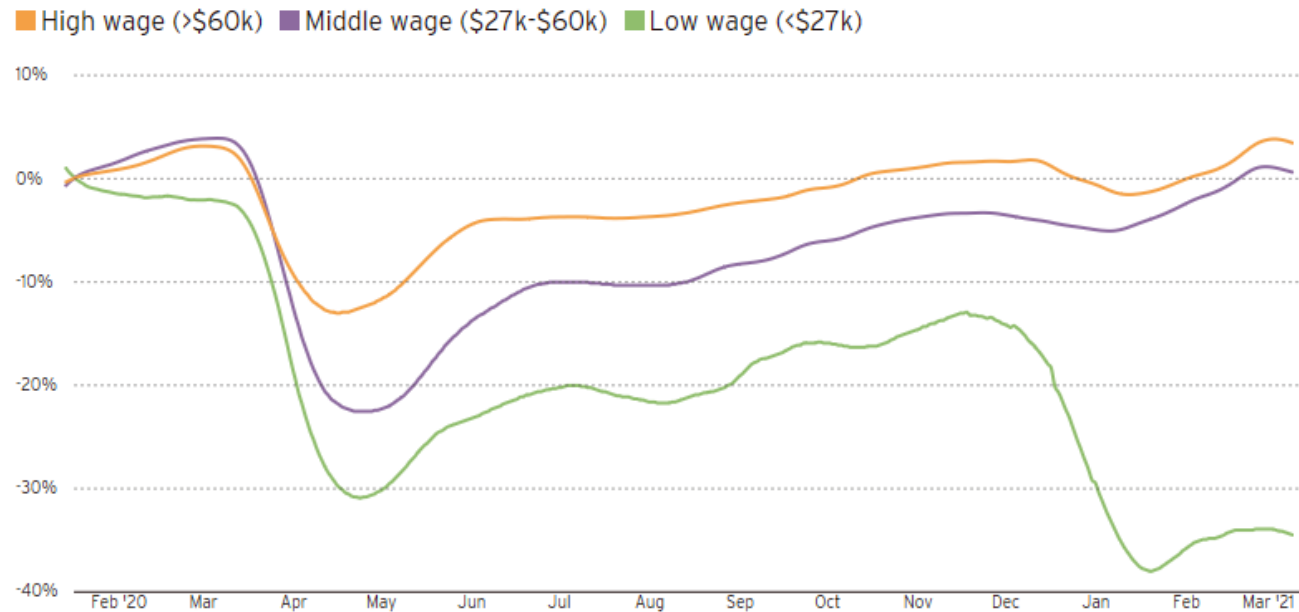
Over the same time period, US employment was less impacted with employment losses in the Second Quarter being lower (8.1%) and Third Quarter increase being higher (2.5%).

California Employment by Quarter



# LOW-WAGE WORKERS WERE MOST LIKELY TO LOSE THEIR JOBS DURING THE PANDEMIC

While middle- and high-wage workers have begun to recover employment, low-wage workers have not. This chart shows employment change since January 2020.



Source: [Opportunity Insights](#)



## California COVID-19 By the Numbers

**May 18, 2021**

*Numbers as of May 17, 2021*

COVID-19 Cases

**3,666,591** (+687)

Fatalities

**61,513** (+3)

Vaccines Administered

**34,804,886**

People Fully  
Vaccinated

**15,758,526**

Ages of Confirmed Cases

**476,923**

0-17

**2,102,536**

18-49

**697,185**

50-64

**387,623**

65+

**2,324**

Unknown/Missing

Gender of Confirmed Cases

**1,862,815**

Female

**1,753,630**

Male

**50,146**

Unknown/Missing

Hospitalizations

Confirmed COVID-19

**1,402**

Hospitalized

**335**

in ICU

Suspected COVID-19

**262**

Hospitalized

**41**

in ICU

Your actions save lives.  
**covid19.ca.gov**



# CALIFORNIA MOVES TOWARD FULL RE-OPENING

- Beyond the Blueprint - Governor Newsom announced that California aims to fully reopen on **June 15**, if hospitalization rates are stable and low.
- CDPH modified Blueprint thresholds after the state successfully met its second vaccine equity milestone of 4 million administered vaccine doses in some of the state's hardest hit communities
- CDPH updated its Outdoor and Indoor Youth and Recreational Adult Sports Guidance related to spectators and observers, and inter-team competitions, meets and races.
- Blueprint also updated to allow additional outdoor activities with modifications.

# TRACKING VARIANTS

- B.1.1.7 variants are associated with approximately 50% increased transmission, and likely with increased disease severity and risk of death. Appears to have minimal impact on the effectiveness of treatments with antibodies.
- B.1.351 variants are associated with approximately 50% increased transmission. May have moderately decreased response to antibody treatments.
- P.1 variants may have moderately decreased response to some antibody treatments.
- B.1.427 and B.1.429 are associated with approximately 20% increased transmission. There is significantly reduced efficacy of some antibody treatments.

## Known Variants of Concern in California

Variant	Number of Cases Caused by Variant
B.1.1.7	5,750
B.1.351	72
P.1	670
B.1.427	3,999
B.1.429	11,961

Source: Data for May 12, 2021

<https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/COVID-Variants.aspx>

# SMALL BUSINESS PULSE - CALIFORNIA

(US CENSUS APRIL 12 TO 18)

- 31.0% of small businesses are reporting the Pandemic had a large negative effect on them. This is 4.2% higher than the national average of 27.8%.
- 43.6% of small businesses are reporting the Pandemic had a moderate negative effect on them, and this 0.6% higher than the national average of 43.0%.
- 27.5% of businesses have requested a PPP loan in round 1, this is 2.3% above the national average of 25.2.
- 39.0% of businesses have requested a PPP loan in round 2, this is 2.0% above the national average, 37.0%.
- 43.1% of businesses have received a PPP loan, this is 1.8% above the national average, 41.3%.
- 26.8% of businesses have requested PPP loan forgiveness, this is 1.0% higher than the national average, 25.8%.
- 24.6% of businesses have received PPP loan forgiveness, this is 0.2% lower than the national average, 24.8%.
- 38.5% of businesses have not requested assistance during the pandemic, and this is 3.3% below the national average, 41.8%.





# IMPLEMENTATION OF ECONOMIC RECOVERY PROGRAMS

Agenda Item III



# FOCUS AREAS

- ❑ Updates on Approved Economic Recovery Initiatives
- ❑ Strategies to improve program delivery

# KEY RECOVERY CHALLENGES IN 2021

- ❑ Small businesses, especially women- and BIPOC-owned businesses, must be a priority in the state's recovery efforts. Data continues to suggest these businesses are having the greatest challenges in accessing technical and financial assistance.
- ❑ Many of the state's smallest businesses are not aware of assistance or find the documentation necessary to apply a significant barrier.
- ❑ Small businesses are finding it difficult to meet prime contractors, who may be bidding on state contracts.
- ❑ COVID-19 is amplifying old business operation challenges, including local broadband capacity, access to capital, and the cost of meeting regulations.
- ❑ With the economy reopening, many small businesses face the payment of back rent while struggling to re-open.

# SPEAKERS — AGENDA ITEM III

- ❑ Toni Symonds, JEDE Committee, will facilitate our discussion
- ❑ Jessica Gonzales with the [Economic Development Department at City of Corona](#)
- ❑ Jenna Hornstock and Gigi Moreno with [Southern California Association of Governments](#)
- ❑ Heidi Pickman with [CAMEO](#)
- ❑ Kristine Johnston and Chris Holden with the [Northern California SBDC Lead Center](#)
- ❑ Lorrie Aiello and Gary Steinberg with [CMTC](#)
- ❑ Danny Fitzgerald, representing the SBDCs
- ❑ Claudia Viek with the Invest in Women Entrepreneurs and the California Women's Business Center Network [www.californiawbc.org](http://www.californiawbc.org)

Other roundtable participants are encouraged to also share their priorities and experiences.

# MOU BETWEEN GO-BIZ AND INNOVATION NORWAY

- Jointly participate in conferences, commercial exchanges and trade missions, business match-making, and other events that would promote the collaborative efforts between California and Norway;
- Host one official trade mission per year focused on sustainability and green infrastructure;
- Convene roundtable/seminars with public and private actors to discuss strategic market opportunities on prioritized sectors of zero emission transportation, offshore wind energy development, and hydrogen;
- Identify, share, and validate high potential market opportunities for growth in digitization, automation, and electrification in the blue-green economy that supports sustainable growth;
- Convene California and Norwegian green finance organizations to support private investment in areas such as electrification of public transport and renewable energy, and supporting green job creation;
- Coordinate an annual meeting with senior representatives to discuss priorities and MOU progress; and

There will be a single point of contact in each organization to ensure practical implementation of MOU and mutual promotion of the MOU.





## CORONA MAP QUARTERLY EVENT: MANUFACTURING ROUNDTABLE



**May 25, 2021  
1:00 p.m. - 2:30 p.m.  
Virtual Event- Zoom**

**Are you a manufacturer in the City of Corona or neighboring region?  
We invite you to join our Manufacturing Roundtable!**

- Join industry experts, resource partners, and manufacturing businesses
- Hear resources and updates on:
  - Workforce Hiring and On-the-Job Training
  - Technical Assistance Programs/Training Resources
  - Apprenticeship Opportunities
  - Conducting Business with the Government
  - Much More!
- Share your input and business needs

**Click to Register**



**Contact our team to learn more.**

**CoronaCA.gov EconDev@CoronaCA.gov**

We invite you to complete our  
Needs Assessment Survey today!





# INCLUSIVITY PROJECT

*Project of the Norcal SBDC*

1,000

1,000 black  
entrepreneurs and  
business owners

\$100M

\$100 million in capital  
investment

100

100 new startups



Dozens of committed  
community partners



**CHRIS HORTON**  
INCLUSIVITY PROJECT  
VISIONARY

Learn more at [TheInclusivityProject.com](https://TheInclusivityProject.com)



- LOCAL ECONOMIES WERE DECIMATED BY THE PANDEMIC. NOW CALIFORNIA CITIES ARE ROLLING OUT THEIR BLUEPRINTS FOR RECOVERY.  
LEAGUE OF CALIFORNIA CITIES VIDEO WITH THE TOP 10  
ECONOMIC DEVELOPMENT PRIORITIES FOR LOCAL RECOVERY

CALED  
UPDATE

# CMTC Supplier Scouting Program– NO FEE Service

- Current State:
  - CMTC performs Supplier Scouting and Matching Service at NO FEE
  - Support not only current CMTC CA clients but SMM manufacturers supply chains
- What's included:
  - CMTC performs supplier scouting and matching for one and up to three material requests
  - CMTC's goal is to refer 1 to 3 pre screened suppliers for each request
  - CMTC refers suppliers in priority: CMTC clients/California/U.S. Domestic
    - CMTC screens suppliers by confirming a match to the requirements/specifications and interest of the opportunity
  - CMTC documents the list of referrals with company and contact information and any additional notes
- What's not included:
  - Qualifying the suppliers capabilities
  - RFQ process – requesting pricing and delivery
  - Final Supplier Selections
- Deliverables:
  - CMTC delivers (1 to 3) screened suppliers to clients
  - CMTC referrals are screened referrals but may not always be most cost effective supplier



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# PROGRAMS WE ARE TRACKING

Approved Programs & Initiatives

# TRACKING NEW AND FOLLOW-ON PROGRAMS

- Federal Stimulus Bills: \$900 million COVID Relief Act and \$1.4 billion Omnibus Appropriation Act - signed December 2020
- \$1.9 trillion Biden American Rescue Plan — signed into law on March 11, 2021
- \$7.6 billion Early Action Budget Agreement to provide relief to Californians experiencing pandemic hardship, including \$2.1 billion for small businesses — signed into law February 23, 2021
- California \$6.2 billion tax cut to small business — signed into law April 29, 2021



# TRACKING IMPLEMENTATION OF STATE SMALL BUSINESS RESOURCES

- ❑ \$2.6 billion Small Business Grant Program. Qualifying small businesses and nonprofits can receive awards of up to \$25,000. <https://business.ca.gov/osba-signup/> \$1.5 billion proposed in May Revise
- ❑ \$100 million Main Street Tax Credit <https://www.ftb.ca.gov/file/business/credits/small-business-hiring-credit.html> \$100 million proposed in May Revise
- ❑ \$100 million new capitalization for the Small Business Disaster Loan Guarantee Program. <https://www.ibank.ca.gov/small-business/disaster-relief/> \$20 million proposed in May Revise
- ❑ Interest free extension on payments of Sales and Use Taxes to the State for businesses filing less than \$5 million in sales tax. <https://www.cdtfa.ca.gov/>
- ❑ \$12.5 million added to the California Rebuilding Fund, which provides capital to support small business loans. Provides \$125 million impact. <https://www.connect2capital.com/p/californiarebuildingfund/> \$50 million to IBank which could be used for this Fund or something else
- ❑ \$10 million Social Entrepreneurs for Economic Development initiative to assist economically disadvantaged groups <https://etp.ca.gov/grants/> \$35 million proposed in Jan Budget and approved in Assembly Budget Sub 4

# SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM

- \$2.6 billion approved for small businesses and nonprofits
- SB 87 (Caballero and Min), Chapter 7, Statutes of 2021  
([https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB87](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB87))
- 198,000 small businesses and nonprofits either have been or will be awarded grants, which includes finalized awards for 43,874 small businesses and nonprofits representing all 58 California counties for a total of \$475 million.

# Small Business Relief Grant

	% of Awards Highly Impacted Industry	% of Awards Other Impacted Industry	% of Awards Total Target Industry	% of Awards NON-Target Industry	% of Awards LMI	% of Rural Awards	% of Awards to Minority-Owned	% of Awards to White-Owned	% of Awards to Women-Owned	% of Awards to Veteran-Owned	% of Awards to Black-Owned	% of Awards to Asian-Owned	% of Awards to Latinx-Owned	% of Awards to Native American-Owned	% of wards to Other Pacific-Islander
Round 1	63.5	3.9	67.4	32.6	76.7	11.9	55	45	53	1.5	6.2	32.4	16	1.9	2.1
Round 2	45.8	4.4	50.2	49.5	68	9	59.1	40.1	55.5	2	7.4	33.2	18	1.9	2.2
Round 3	35.4	4.5	39.9	60.1	67.1	9.2	66	34	55.6	2.7	7.4	38.1	19.7	2.2	2.7
Round 4															
Round 5															
Round 6 (preliminary data)	18.6	3.7	22.3	77.7	56.6	6.8	61.7	38.3	44.7	3.5	10.5	31.6	18.7	2.1	2.4

# PAYCHECK PROTECTION PROGRAM — ENDS MAY 31

- PPP Small Business Lenders that fund **non-affiliated** small businesses, either in California or Nationwide, are the following: American Landing Center, AMPAC Business Capital, Bourns Employee Federal Credit Union, California FarmLink, CA International Bank, Cathay Bank, CDC Small Business Finance, CenterStone SBA Lending, Clearinghouse CDFI, Commerce West Bank, Community Reinvestment Fund USA, GBC International Bank, Harvest Small Business Finance, Inland Valley Federal Credit Union, Lendistry, National Development Council, Neighborhood National Bank, Opportunity Fund, Prestamos CDFI (partnered with California Hispanics Chamber of Commerce), RCAC, Self-Help Credit Union, SmartBiz Loans, Southwestern National Bank, Sunwest Bank, Tustin Community Bank, United Business Bank, US Metro Bank, and USC Credit Union.
- , The U.S. Small Business Administration also allows you to place your zip code in a search engine to see what is the nearest lender providing PPP loans.

# BIDEN AMERICAN RESCUE PLAN

[HTTPS://WWW.HKLAW.COM/-](https://www.hklaw.com/-/media/files/insights/publications/2021/03/AmericanRescuePlanKeyProvisions.pdf?LA=EN)

[/MEDIA/FILES/INSIGHTS/PUBLICATIONS/2021/03/AMERICANRESCUEPLANKEYPROVISIONS.PDF?LA=EN](https://www.hklaw.com/-/media/files/insights/publications/2021/03/AmericanRescuePlanKeyProvisions.pdf?LA=EN)

\$1.9 trillion set of actions to combat the economic downturn and the COVID-19 pandemic. Key elements include:

- \$350 billion would help state and local governments bridge budget shortfalls, including funding to retain essential public workers, including police officers, firefighters, nurses, and educators
- \$2,000 in direct payments to individuals and households, calibrated by income. (\$1,400 + \$600 Dec bill)
- Extended unemployment insurance and \$400 UI weekly supplement
- Small business assistance, including minority-owned small businesses and women-owned small businesses. Both debt and grants are envisioned
- Increase the federal minimum wage to \$15 an hour
- Federally mandated paid leave for workers
- Strategies to spur more manufacturing in the USA
- New investments in research and development to support innovation
- Funding infrastructure to address competitiveness and climate



# INFORMATION SHARING OF ECONOMIC RECOVERY PROPOSALS

Agenda Item IV



# FOCUS AREAS

- ❑ Public Policy Priorities for 2021
- ❑ Economic Recovery Proposals – Under Discussion
- ❑ Recommendations from Reports



# SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds, JEDE Committee, will facilitate this discussion.
- ❑ Mary Kaems — working group update
- ❑ Phil Vermeulen with the Coalition of Small and Disabled Veteran Businesses

Advocates are encouraged to share their 2021 Federal and State Priorities and contribute to the “What’s Going On” discussions.

# TRACKING NEW AND ONGOING ISSUES

- American Jobs Plan - \$2 trillion in infrastructure, workforce, and small business procurement opportunities
- State Small Business Credit Initiative – CA formula allocation \$895 million
- California Comeback Plan – Released May 10 through 14, 2021
- Governor's May Revise Budget Proposals – Released May 14, 2021

# BIDEN'S \$2 TRILLION AMERICAN JOBS PLAN (SLIDE 1 OF 2)

- \$621 billion on roads, bridges, public transit, rail, ports, waterways, airports, and electric vehicles to improve air quality, reduce congestion, and limit greenhouse gas emissions
- \$400 billion to bolster caregiving for aging and disabled Americans
- \$300 billion toward boosting manufacturing, specifically semiconductor, medical, and clean manufacturing
- \$213 billion toward building, renovating, and retrofitting over two million homes and housing units
- \$180 billion to advance US leadership in critical technologies, upgrade research infrastructure, and establish the US as a leader in climate science, innovation, and research and development
- \$111 billion to rebuild water infrastructure and replace all the nation's lead pipes and service lines

# BIDEN'S \$2 TRILLION AMERICAN JOBS PLAN (SLIDE 2 OF 2)

- \$100 billion to build new public schools and upgrade existing buildings, and \$12 billion to states to use towards infrastructure needs at community colleges
- \$100 billion in order to give every American access to affordable, reliable, and high-speed broadband
- \$100 billion to workforce development to help dislocated workers, assist underserved groups, and get students on career paths before they graduate high school
- \$18 billion to modernize the Veterans Affairs' hospitals and \$10 billion to modernize federal buildings

Proposal would be paid for by raising corporate tax to 28% and the global minimum tax to 21%, placing a 15% levy on book income for the largest corporations, and corporate inversions.

# STATE SMALL BUSINESS CREDIT INITIATIVE ( 1 OF 2)

- The American Rescue Plan Act of 2021 included \$10 billion for the reauthorization of the State Small Business Credit Initiative (SSBCI), which was initially created in 2010, to strengthen state programs that support financing of small businesses. In 2010, California received \$168 million from the SSBCI, and the funds were split equally between the California Infrastructure and Economic Development Bank (IBank) and the State Treasurer's Office. California operated three of the five SSBCI authorized programs, the California Capital Access Program for Small Business, California Capital Access Program Collateral Support at California Pollution Control Finance Authority, and the Small Business Loan Guarantee Program that is now administered by IBank.
- On April 9, 2021, the U.S. Treasury released a by-state allocation of the first \$6.2 billion of the \$10 billion appropriated, and California is estimated to receive \$895 million in three tranches as the funds are used. The U.S. Treasury is still developing their guidance for programs and anticipates rolling that out over the next two to six months. All states are required to submit a program application by December 11, 2021. The IBank has established an SSBCI working group in anticipation.



# STATE SMALL BUSINESS CREDIT INITIATIVE

Under the formula allocation, CA is eligible for \$894.7 million (14.3% of total allocation)

## Program Timeline

**April 9** – US Treasury announces allocation amounts for CA

**May 10** – CA must provide notice to the US Treasury that we are interested in applying for SSBCI

**May 10** – US Treasury announces allocation amounts for Tribal governments

**June 11** – Tribal governments must provide notice to the US Treasury of their interest in SSBCI

**Early Summer** – US Treasury Releases Guidelines

**December 11** – CA submits a plan to the US Treasury on how they propose to spend \$894.

<https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci>

# JEDE 2021 BILL PACKAGE

1. **AB 1571 - Regulatory Fairness**: Implements a *moratorium on new regulations* that affect small businesses located in a disaster area, unless OES certifies that the regulation is necessary to address the emergency and the proposed rule provides adequate notice and implementation time.
2. **AB 1572 - Saleable Tax Credit to Raise Investment Cash**: Establishes a state *New Market Tax Credit* to assist community development entities raise capital to invest in small businesses in low-income communities.
3. **AB 1573 - Local Economic Development Support**: Establishes the *California Business Retention Program*, within GO-Biz, for the purpose of supporting local economic recovery efforts. The program leverages existing state resources to better align with state's economic development and small business technical assistance providers.
4. **AB 1574 - Procurement Improvements**: Implements the Small Business Contract Act of 2021, which:
  - Updates the role of the Small Business Advocate at the Department of Veterans Affairs
  - Strengthens the "commercially useful function" requirement of state contracting.
  - Expands the Target Area Contract Preference Act to include an additional \$50,000 for workforce preferences.
  - Adds "limited contracting small business enterprise" and "new small business enterprise" to Small Business Contracting Act to facilitate a deeper conversation with state contracting agencies.

# EARLY ACTION BUDGET ITEMS

Governor called on the Legislature to take immediate action. Passed \$9.7 billion in February.

## Highlights:

- **\$2.4 billion** to capitalize the Golden State Stimulus program, which would provide \$600 to low-income individuals and families excluded from the federal stimulus (assists four million low-income Californians).
- **\$2.1 billion** for the CA Small Business COVID-19 Relief Grant Program to provide grants up to \$25,000 for small businesses impacted by the pandemic - \$50 million of which is set aside for cultural institutions (no size cap). (Initially proposed as \$575 million)
- **\$116 million** in fee cuts by waiving various fees for two years for heavily impacted service industries, including 59,000 restaurants and bars licensed through ABC and to the more than 600,000 barbering and cosmetology individuals and businesses licensed through the Department of Consumer Affairs. (Initially proposed at \$70.6 million.)

**April 27 Governor Signed AB 80:** \$6.2 billion tax cut over 6 years. The bill conforms CA tax law to new federal tax treatment for loans provided through the Paycheck Protection Plan and EIDL, which allows borrowers to deduct up to \$150,000 in expenses covered by those loans. Publically traded firms and firms that did not experience a 25% reduction in revenues due to COVID-19 are excluded.



MAY REVISE

# 2021-22 MAY REVISE: REVENUES AND EXPENDITURES ( 1 OF 18)

- \$196.8 billion in General Fund (GF) expenditures
- \$203.4 billion in available resources including prior year balance, revenues, and transfers
- \$24.4 billion in total reserves, including \$3.4 billion in the Special Fund for Economic Uncertainties
- \$41.6 billion increase in available GF resources as compared to the Governor's January budget proposal z9includes prior year, current year, and budget year)
- \$93.7 billion Proposition 98 guarantee level in 2021-22.
- \$27 billion Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act of 2021. This brings the total amount of federal stimulus funds for state programs to over \$275 billion.

According to the Senate Summary of the May Revise, "Unlike the Governor's [January] budget, the May Revision forecast does not have large structural deficits in the out-years. However, risks to the economic forecast remain. These include new coronavirus variants, vaccine hesitancy, higher inflation if supply chains cannot support increased consumer demand, and a stock market decline."

# 2021-22 MAY REVISE: PACKAGES (2 OF 18)

- **\$4.35 billion Water Resilience Package.** Expended over multiple years (\$3.475 billion in 2021-22), which includes \$2.8 billion GF, \$1.54 billion in federal American Rescue Plan Act funds, and \$10.5 million bond and special funds to address water resilience and drought.
- **\$1.244 billion Wildfire and Forest Resilience Expenditure Plan.** Expended over two years with \$536 million approved as an early action for 2020-21 in SB 85 (Budget & Fiscal Review), Chapter 14, Statutes of 2021; and \$708 million proposed for 2021-22.
- **\$784 million Climate Resilience Package.** On-time funding. This package is intended to protect people and nature for the impacts of climate change such as catastrophic wildfire, sea level rise, drought, extreme heat, and flooding.
- **\$926 million Sustainable Agriculture Package.** Expended over two-years, the proposal expands on the \$285 million January budget proposal with an additional \$641 million over two years - \$491 million in 2021-22 and \$776 million in 202122 to support the agriculture industry.



# 2021-22 MAY REVISE: PACKAGES (3 OF 18)

- **\$3.2 billion Zero Emission Vehicle Package.** Expended over three years for zero emission vehicles and infrastructure. This includes \$500 million in GF for ZEV infrastructure, in lieu of bond financing.
- **\$7 billion Broadband Infrastructure.** Expended over multiple years and used to expand broadband infrastructure and enhance access.
- **\$1.1 billion Jobs Package.** Supports transitioning regional economies to meet a climate-resilient, carbon neutral, and equitable economic future requires strong state support for bottom-up planning and implementation of high road economic growth strategies that recognize and build on existing industries, regional diversity, and current and emerging workforce.
  - The Jobs Package leverages other significant climate-smart infrastructure investment proposals, including for zero-emission vehicles (ZEV) infrastructure, climate resilience, transit systems, advanced biomass projects, and oil well capping and remediation.

# 2021-22 MAY REVISE: \$8.1 BILLION GOLDEN STATE STIMULUS II (4 OF 181)

- \$600 payments for tax filers earning up to \$75,000 who did not already receive a GSS payment (approximately 9.4 million filers).
- An additional \$500 to families (filer with a dependent) making up to \$75,000 (approximately 4.3 million filers).
- An additional \$500 to ITIN filers that earn up to \$75,000 and have a dependent (approximately 520,000 filers).

If approved, total Golden State Stimulus expenditures would be \$11.9 billion. The first payments, approved by the Legislature in February, included \$600 payments to filers making up to \$30,000, with additional \$600 payments to ITIN filers making up to \$75,000, families enrolled in CalWORKs, and individuals enrolled in Supplemental Security Income or Cash Assistance Program for Immigrants.

# 2021-22 MAY REVISE: BUSINESS (5 OF 18)

- \$1.5 billion one-time federal ARPA funds for the Small Business COVID-19 Relief Grant Program.
  - This would bring the total investment in this program to \$4 billion, including the \$500 million initial investment in November 2020 and the additional \$2 billion expansion approved by the Legislature in February 2021.
  - Of the \$50 million allocated for nonprofit cultural institutions, only \$34 million was awarded to eligible recipients, leaving \$16 million available for this purpose. The May Revision proposes opening additional rounds of grants for eligible nonprofit cultural institutions until the full \$50 million has been awarded.
- \$180 one-time increase in CalCompetes Tax Credit
  - Incentivize businesses to locate or stay and grow in California.
- \$250 million one-time federal ARPA funds to establish a grant component of CalCompetes for businesses that meet one or more of the following criteria:
  - Establish at least 500 net new jobs; make a significant infrastructure investment;
  - Commit to a high-need, high-opportunity area of the state; or
  - Receive a designation from the Director of GO-Biz that the application is a strategic priority of the state

# 2021-22 MAY REVISE: BUSINESS (6 OF 18)

- \$30 million one-time to expand the California Film and Television Tax Credit Program 3.0 productions that relocate from other jurisdictions.
- \$95 million one-time federal ARPA funds to the Office of Tourism to implement strategic media recovery campaigns that will jump start the recovery of the travel and tourism industry once it is safe to travel.
- \$250 million one-time federal ARPA funds to GO-Biz to allocate to California ports to address some of the revenue impacts suffered by ports as a result of COVID-19.
- \$100 million to the California Alternative Energy and Advanced Transportation Financing Authority to double the size of its Sales and Use tax Exclusion Program to \$200 million in 2021-22.
- \$100 million to for the Main Street Small Business Tax Credit to provide a second round of reservations in 2021-22. This would include \$47 million in unauthorized credits from the first round. SB 1447 (Bradford, Caballero, Cervantes), Chapter 41, Statutes of 2020.

# 2021-22 MAY REVISE: BUSINESS (7 OF 18)

- \$50 million for the Small Business Finance Center to provide financial assistance to small businesses through any IBank program including the California Rebuilding Fund, with a focus on programs that benefit underserved businesses in California. This is the same proposal as in January.
- \$20 million to recapitalize the Small Business Loan Guarantee Program at the IBank's Small Business Finance Center. The budget appropriation has been reduced from \$50 million in the January proposed budget because of the anticipated federal SSBCI funds.
- \$10 million to establish the California Dream Fund, which is intended to provide micro-grants of up to \$10,000 to seed entrepreneurship in underserved small business groups that are facing opportunity gaps, including immigrant Californians and Californians that speak limited English. The May Revision shifts the funding proposed for these microgrants from 2020-21 to 2021-22. The January proposed budget included \$35 million for the California Dream Fund, making a total appropriation of \$42 million.

# 2021-22 MAY REVISE: BUSINESS (8 OF 18)

- Mitigating the SALT Deduction Limitation for Pass-through Entity Owners
- Creates an elective tax for pass-through entities to help mitigate the harmful impacts on California business owners of the limitation on state and local tax deductions by the 2017 federal Tax Cut and Jobs Act.



# 2021-22 MAY REVISE: CLIMATE CATALYST FUND (9 OF 18)

The Climate Catalyst Fund is a financing tool, administered by the IBank, to make revolving loans for climate-related projects.

- \$50 million one-time GF for Climate Smart Agriculture projects, including methane reduction projects, equipment replacement, water efficiency; healthy soils, and energy efficiency for food processing.
- \$31 million one-time GF as part of the wildfire and forest resilience package. The early action package ultimately included \$16 million one-time GF in 2020-21. If approved, total funding for wildfire resiliency in 2020-21 and 2021-22 would be \$47 million.
- \$50 million to provide low-interest loans to attract recycling and reuse businesses to California.

# 2021-22 MAY REVISE: UNEMPLOYMENT INSURANCE TRUST FUND

(10 OF 18)

- Although the federal government has funded many emergency benefits, the core of the UI program is state funded.
- The federal Families First Act allowed states to borrow from the federal UI trust fund with no interest until December 31, 2020. Subsequently, the Continued Assistance Act further waived interest through March 14, 2021, and the federal American Rescue Plan Act of 2021 again waived interest payments until September 6, 2021.
- In addition, based on the improving economic conditions and the decreasing unemployment rate, the EDD estimates that California will have a \$24.3 billion UI deficit at the end of 2021, down from a projected \$48.3 billion at the Governor's Budget.
- This, along with federal interest rate postponements, reduces the estimated UI loan interest payment to a projected \$36 million for federal fiscal year 2021.

# 2021-22 MAY REVISE: HIGHER EDUCATION ( 11 OF 18)

- **\$1 billion one-time GF Endowment for Learning Aligned Employment.** Expanded over two years and includes US, CSU, and CCC students. The Learning-Aligned Employment program provides learning-aligned opportunities related to students' fields of study, aimed at providing students with long-term career development and professional networking opportunities.
- **\$25 million one-time General Fund CSU Northridge Center for Equity in Innovation and Technology.** Supports construction of the CSU Northridge Center for Equity in Innovation and Technology.
- **\$25 million ongoing for Humboldt State University.** Supports Humboldt State University becoming designated as the state's third polytechnic university, and the first in northern California.
- **\$433 million one-time GF Facility Renovations.** Support a capital projects transition plan necessary for the campus transition to a polytechnic university, including renovations of science and laboratory facilities, as well as enhanced computing and telecommunications infrastructure.

# 2021-22 MAY REVISE: COMMUNITY COLLEGES AND WORKFORCE (12 OF 18)

- **\$20 million** one-time Prop 98 **High Road Training Partnerships** and Regional Partnerships. Support CCC participation in High Roads Training Programs and regional partnerships developed by the California Workforce Development Board.
- **\$157 million** one-time General Fund for a **regional workforce investment package** between the California Workforce Development Board and the CCC Chancellor's Office that strengthens linkages between workforce training and the CCCs, using existing regional consortia to build upon existing training programs and develop new programs.
- **\$12.4 million** ongoing Prop 98 for **Strong Workforce Program**. Increases program funding by 5% to address wage inequities. The state currently provides \$248 million for this program.
- **\$30 million** one-time Prop 98 for **Work-Based Learning**. The January budget proposed \$20 million one-time for work-based learning. The May Revision proposes an increase of \$10 million one-time Proposition 98 General Fund to develop work-based learning opportunities in cloud computing, and zero emissions/supply chain.

# 2021-22 MAY REVISE: COMMUNITY COLLEGE AND WORKFORCE (13 OF 18)

- **\$150 million** Proposition 98 for **Guided Pathways**. Requested statutory changes be adopted to appropriate \$150 million attributable to 2020-21 to support the continued implementation of the Guided Pathways framework at the community colleges. Expended over five years.
- **\$10 million** one-time **Competency-Based Education Pilot Program**. Funding will support a workgroup to develop recommendations to support implementation of a competency-based education model and to pilot implementation at select community colleges.

# 2021-22 MAY REVISION: REGIONAL K-16 EDUCATION COLLABORATIVES

(14 OF 18)

- **\$250 million** one-time GF for **Regional K-16 Collaboratives**. The Office of Planning and Research will award grants to between 5 and 8 regional collaboratives.
  - Regional K-16 Collaboratives will be modeled after the Fresno K-16 Education Collaborative.
  - Collaboratives will be required to include at least one institution from all three segments; to include consideration of regional workforce needs; to focus on streamlining occupational pathways that lead to high-paying, in-demand jobs; and to align higher education with workforce needs.
  - Collaboratives will be required to adopt recommendations from the February 2021 Recovery with Equity report related to fostering inclusive institutions and facilitating student transitions.



# 2021-22 MAY REVISE: COMMUNITY ECONOMIC RESILIENCE FUND

(15 OF 18)

- **\$750 million** one-time federal ARPA funds for the Community Economic Resilience Fund to support the planning and implementation of regional transition strategies developed by High Road Transition Collaboratives.
- These High Road Transition Collaboratives are intended to bring communities together through an inclusive process to produce a regional roadmap for economic growth that prioritizes the creation of accessible, high-quality jobs in future-looking industries.
- Funding will be guided by the Just Transition Roadmap, scheduled to be published in July 2021.

# \$1 BILLION EDUCATION AND TRAINING GRANTS

- \$1 billion one-time Coronavirus Fiscal Recovery Fund of 2021 to California Student Aid Commission (CSAC) support displaced workers in seeking out reskilling and upskilling opportunities, educational and training opportunities, or to help support the costs to start a business.
- Authorize CSAC to disseminate the funds to the higher education segments, and authorize UC, CSU, and CCC campuses to receive these funds and grant them to individuals displaced from their employment due the COVID-19 Pandemic on behalf of the Commission.
- Allow recipients to use their grants to cover the costs of postsecondary programs, high-quality training programs, or to start a business for which the recipient has filed for a business license and developed a business plan.
- Require at least half of the amount appropriated for this purpose to be used to provide grants to eligible individuals who are caring for a dependent child.
- Encourage UC, CSU, and CCC campuses to match grant funds used at their institutions, which could include UC and CSU extension programs, with institutional funds.
- Specify that the grant amounts will be determined by the CSAC, with a minimum amount of \$1,000 per grant.

# 2021-22 MAY REVISE: EARN AND LEARN STRATEGIES (17 OF 18)

- **\$50 million** one-time GF to the **Employment Training Panel**. Support training opportunities for new and incumbent workers and address skills gaps in economically disadvantaged regions. These resources will allow the ETP program to provide training resources to industries it traditionally has not addressed, including health care, information technology, advanced manufacturing, as well as training targeted toward public sector jobs.
- **\$90 million to the Workforce Board** to make additional High Road Training Partnership (H RTP) grants. This builds upon the \$25 million proposed in January for a \$115 million in total for H RTPs.
- **\$50 million one-time GF New High Road Training Partnerships**. Expands funding to the Workforce Board to establish H RTP in the areas of healthcare, cybersecurity, and other growing sectors on an accelerated timeline to align with community college pathways.
  - \$10 million Proposition 98 GF for CCCs to align their programs with these H RTPs.
- **\$42 million GF to the ETP** to leverage existing community college contract education units to provide small businesses with new and incumbent employee training and accelerate their recovery.
- **\$20 million to the Workforce Board** to develop apprenticeships in residential construction.

# 2021-22 MAY REVISE: CC AND LABOR AGENCY (18 OF 18)

- \$50 million one-time General Fund to the Workforce Board to fund regional equity and recovery partnerships between regional community college consortia and regionally organized workforce boards. Working from existing regional and industry planning, successful partnerships will assess regional hiring demand for good quality jobs and then design short-term targeted education, training, and job placement. The May Revision also includes an additional \$10 million Proposition 98 General Fund for the CCCs to participate in these efforts.
- \$15 million one-time General Fund for building a shared data infrastructure between the Chancellor's Office and the Labor Agency as a foundational piece of this relationship. This infrastructure will simplify collaboration, job outcomes, and other data gathering elements.

Also includes \$90 million H RTP and \$42 million to ETP for CCC Contract Education Centers



# CLOSING THOUGHTS

Links to Useful Information



Supporting SMALL  
strengthens us ALL:  
#ShopSafeShopLocal



# STAY CONNECTED WITH GO-BIZ AND OPR

GO-Biz, the Office of the Small Business Advocate, and OPR are partnering on a range of activities, including weekly webinars and videos. You can stay connected through the following channels:

- To view the Entrepreneurship Task Force COVID-19 Rapid Response Online Sessions: <https://business.ca.gov/advantages/small-business-innovation-and-entrepreneurship/help-us-advance-entrepreneurship/>
- Subscribe to GO-Biz's Newsletter for COVID-19: <https://business.ca.gov/gobiz-newsletter-signup/>
- Subscribe to GO-Biz OZ Updates: <https://opzones.ca.gov/sign-up/>
- Subscribe to OPR's Federal Grants E-List: <https://tinyurl.com/y9du7fg3>
- Follow @CAGOBIZ on Twitter: <https://twitter.com/CAGoBiz>
- Follow @Cal\_OPR on Twitter: [https://twitter.com/cal\\_opr?lang=en](https://twitter.com/cal_opr?lang=en)
- Subscribe to the GO-Biz YouTube Channel: <https://www.youtube.com/channel/UCregW8KZRE4k1sXVZs2bPxw>
- Submit questions to the California Business Investment Service: [calbis@gobiz.ca.gov](mailto:calbis@gobiz.ca.gov)
- Submit questions regarding the Opportunity Zones and Promise Zones: [zones@gobiz.ca.gov](mailto:zones@gobiz.ca.gov)

# JEDE COVID-19 ACTIVITIES

**Conference Calls:** JEDE is sponsoring monthly conference calls where stakeholders can share program and service delivery challenges in real time and seek resolution and mitigation actions within the broader business, economic, and workforce development community.

**COVID-19 Updates:** JEDE regularly publishes economic and business development updates to professionals engaged in meeting the needs of small businesses and local communities caused by the coronavirus emergency.

## **Resource Webpages:**

- JEDE COVID-19 Resource Page: <https://ajed.assembly.ca.gov/content/covid-19-resources>
- Small Business Roundtable: <https://ajed.assembly.ca.gov/content/small-business-roundtables>