

Selected Highlights of the Governor’s Proposed Budget for 2022-23

- **New and Expanded Economic Development Programs at GO-Biz**

- **\$1.2 billion** in federal **State Small Business Credit Initiative** funds to be split evenly between the IBank and the California Pollution Control Financing Authority to provide loan guarantees and loss reserve and collateral credit supports.
- **\$150 million** GF to recapitalize the **Small Business COVID-19 Relief Grant Program** with \$20 million being reallocated from the nonprofit cultural institution grant program and \$120 million GF.
- **\$45 million** GF to the **Office of Tourism** to implement a coordinated strategic media tourism recovery campaign through Visit California.
- **\$25 million** GF to the IBank for the **Climate Catalyst Fund** to support programs that create a healthy, resilient, and equitable food system; promote climate smart agriculture to support long term sustainability and resilience; and address economic recovery and high-road job growth. This is part of a *\$1.1 billion agriculture package*.
- **\$23 million** ongoing (a \$6 million annual increase from prior years) for the **Small Business Technical Assistance Expansion Program** and the program is proposed to be made permanent.
- **\$20 million** GF to be expended over four years and used to expand, revise, and rebrand the **iHub program** as the “**Accelerate CA: Inclusive Innovation Hubs program**,” which focuses on inclusive economic growth and includes the designation of three additional centers and the funding for each of the 13 centers to provide each of five businesses with a \$100,000 seed grant.
- **\$11.6 million** GF in 2022-23, and \$500,000 annually thereafter, for GO-Biz to support statewide **coordination for immigrant entrepreneur integration and support other economic development activities** for underserved small businesses and entrepreneurs.
- **\$3 million** ongoing GF (same funding level as prior years) for the **California Capital Infusion Program** and the program is proposed to be made permanent.

- **Tax Credits and Other Tax Relief**

- **\$5.5 billion** to restore business tax credits, including research and development credits and net operating losses that were limited during the COVID-19 Recession. *Early Budget Action Package*
- **\$500 million** in additional tax relief over several years through state conformity for qualified California recipients of federal relief grants in significantly impacted industries, including the federal Restaurant Revitalization Fund and the Shuttered Venue Operators Grant. *Early Budget Action Package*
- **\$3.4 billion Unemployment Insurance (UI) Package:**
 - **\$3 billion** over two years (\$1 billion in 2022-23, and \$2 billion GF in 2023-24) to pay down a portion of the state’s UI debt.
 - **\$470.1 million** to pay the forecasted UI interest payment, which will accrue over the full federal fiscal year and come due in September 2022.
- **\$250 million** per year for three years to establish a new **California Headquarter Tax Credit**, which would be available to companies headquartered in CA which are investing in research to mitigate climate change.
- **\$100 million** over three years for a **Green Technology Tax Credit** for companies that develop green energy technologies.

- **\$39.8 million** to waive for one year certain documents small businesses are required to file with the Secretary of State.
- **\$31 Million Retail Theft Package**
 - \$20 million GF to **GO-Biz** to create a grant program to support small businesses victimized by smash-and-grabs or that have suffered damage caused during retail theft incidents.
 - \$6 million GF to the **CHP** to provide a total of \$15 million on an ongoing basis for the Organized Retail Crime Task Force (Smash and Grab Enforcement Unit) to crack down on organized retail theft in the Bay Area, Sacramento, San Joaquin Valley, Los Angeles, and San Diego regions.
 - \$5 million ongoing GF for the **Attorney General** to continue leading anti-crime task forces throughout the state
- **New and Expanded Economic and Workforce Development Programs – Other Agencies**
 - **\$1.7 billion** to expand the state's **health and human services workforce**, including training strategies to increase the state's workforce of nurses, social workers, emergency medical technicians, behavioral health care providers, and community health care workers.
 - **\$1.5 billion** one-time Proposition 98 GF over four years to support the development of **pathway programs focused on technology** (including computer science, green technology, and engineering), **health care, education** (including early education), and **climate-related fields**.
 - **\$1.2 billion** over two years for projects that **improve goods movement** on rail and roadways at port terminals, including zero-emission equipment upgrades. This includes, but is not limited to:
 - \$30 million GF to provide funding for operational and process improvements at the ports.
 - \$9.5 million to increase DMV's capacity to provide commercial driver license tests in northern Los Angeles County and the Bay Area to support commercial drivers that deliver essential products and supplies.
 - **\$110 million** to CWDB in 2022-23, and \$120 million in 2023-24 and in 2024-25, to establish, expand, and improve **workforce development programs for health and human service careers**.
 - **\$90 million** GF to ETP to provide training for incumbent health and social workers through **High-Road Training Partnerships for Health and Human Services**.
 - **\$30 million** to the CWDB in 2022-23, and \$40 million in 2023-24 and in 2024-25, for a **Goods Movement Training Campus** in southern California.
 - **\$30 million** over two years to the California Community Colleges to train, develop, and certify forestry professionals.
 - **\$30 million** GF to the EDD's Workforce Services Branch to expand the English Language Learner pilots in integrated education and training programs.
 - **\$30 million** GF to **CDFA** in 2022-23 to expand the California Farm to School Incubator Grant Program to serve additional schools across the state and \$2.9 million General Fund ongoing to support 16 regional Farm to School Network coordinators and market specialists.
 - **\$30 million** GF to the **California Arts Council**, to be spent over three years, to support the existing 14 cultural districts and to expand the cultural districts program to serve traditionally underserved communities, represent a cohort that reflects the geographic and racial diversity of the state, and enable the California Arts Council sufficient capacity to provide technical assistance.

- **\$30 million** GF to **OPR** for the **California Education Learning Lab** to establish and make up to 30 awards under the Golden State Awards Program for incentivizing, celebrating, and elevating high-impact innovations based at or in association with a CSU or UC.
 - **\$20 million** GF to **EDD** from 2022-23 through 2024-25 to provide targeted **training for Emergency Medical Technicians**.
 - **\$20 million** GF to **EDD** to expand its **workplace literacy training**.
 - **\$10 million** GF to **CWDB** to **expand learn-and-earn community change career pathways** for community college students.
 - **\$9.3 million** GF to **OPR** to increase participation of underrepresented communities in **biomedical research**.
 - **\$8.6 million** GF in 2022-23, and \$10.5 million ongoing, to **CDCR** to expand **California Prison Industry Authority janitorial services** to space constructed through the Health Care Facility Improvement Program and to add supervisory staff.
 - **\$5 million** GF in 2022-23, and \$4.7 million ongoing, to **CDCR** to permanently fund **Bachelor's Degree Programs at seven institutions** in collaboration with the California State University system. These programs will be available to students upon successful completion of their community college programs and will enable them to further prepare to enter the workforce and find gainful employment upon their release from prison.
 - **\$2 million** GF annually for two years to coordinate a **market development strategy** within the **forestry sector**. These resources are part of a *\$1.2 billion package of investments that address the state's wildfire risks*.
- **New and Expanded Program to Address Climate Change**
 - **\$9.1 billion** for a *Transportation Climate Alignment Package* (\$4.9 billion GF and \$4.2 billion Proposition 1A bond funds) to support the continued development of an electrified high-speed rail system in California, regional transit and rail projects, bicycle and pedestrian projects, and climate adaptation projects, with a particular **focus on aligning the state's transportation system with its climate goals**. This includes, but is not limited to:
 - **\$1.4 billion** to Caltrans over two years for **Climate-on-the-Move projects** including active transportation, climate adaptation, bicycle and pedestrian safety, and a pilot to study converting highways to boulevards to improve equity and increase utility.
 - **\$6.1 billion** *Zero-Emission Vehicle Package* which includes, but is not limited to, the following:
 - \$176 million to Caltrans to begin a multi-year process to replace high-mileage, high maintenance vehicles with new, efficient, greener models.
 - \$170 million GF and \$676 million GGRF to CARB in 2022-23, \$500 million GF in 2023-24, \$522 million GF in 2024-25, and \$302 million GF in 2025-26, to equitably scale the zero-emission vehicle market and accelerate the state toward meeting its climate and transportation goals.
 - **\$3.7 billion** *Climate Resilience Package* which includes, but is not limited to, the following:
 - **\$364.7 million** GF to **OPR** in 2022-23, and \$399.7 million GF in 2023-24 to support the **California Climate Action Core State Service Program**, regional **climate adaptation strategy** development and implementation, and the **Vulnerable Communities Platform** and **Cal-Adapt Mapping platforms**.
 - **\$10 million** GF to the **Office of the EPA Secretary** in 2022-23 and \$5 million GF in 2023-24 to support **environmental justice initiatives** to assist eligible community organizations and federally-

recognized Tribal governments to address issues in areas disproportionately affected by pollution and health and environmental hazards.

- **\$50 million** GF to DOC in 2022-23 to support a **Biomass to Hydrogen pilot program**.
- **\$1.1 Billion Sustainable Agriculture Package:**
 - **\$242 million** GF to **CDFG** in 2022-23 to support the creation of a healthy, resilient, and equitable food system; promote climate smart agriculture to support long term sustainability and resilience; and address economic recovery and high-road job growth.
 - **\$150 million** GF in 2022-23 for **CARB** to support the reduction of agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other specified equipment used in agricultural operations.
- **\$715 million** GF to support the phase-out of CA oil production:
 - **\$450 million** over three years starting in 2023-24 to stabilize local government revenues as local economies transition to a net-zero-powered economy, including phase-out of oil production.
 - **\$215 million** GF over two years for workforce training to support an oil and gas well capping initiative to improve the safety of communities while providing high-quality jobs.
 - **\$50 million** GF to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.
- **\$250 million** per year for three years to establish a new **California Headquarter Tax Credit**, which would be available to companies headquartered in CA that are investing in research to mitigate climate change.
- **\$100 million** over three years for a **Green Technology Tax Credit** for companies that develop green energy technologies.
- **\$185 million** GF to support **UC climate initiatives**, including \$100 million at the UC for matching **applied research grants**, \$50 million for **regional incubators**, and \$35 million to create regional workforce development and **training hubs focused on climate change**.
- **\$65 million** GF to **CalRecycle** in 2022-23 as part of a *\$270 million package* to support a circular economy that recognizes waste as a resource, shifting the state's focus to a more resilient and renewable economy in California. These funds will support the implementation of goals to reduce short-lived climate pollutants, including advancing organic waste infrastructure, edible food recovery, and composting opportunities; and support other non-organic recycling opportunities.
- **\$20 million** GF to **CWDB** annually from 2022-23 through 2024-25 for a total of \$60 million to fund its **Low Carbon Economy Workforce** grant program to support workforce development programs that align with strategies in the state's Climate Change Scoping Plan.
- **\$20 million** GF to **OPR** to support a grant to **Carnegie Science for the Pasadena Climate Research Hub** facility.
- **\$20 billion** in **infrastructure-related investments** to prepare/protect communities from climate change.
- **\$20 million** GF in 2022-23 for the **Air Resources Board** as part of a *\$2 billion Energy Package* to accelerate progress on the state's clean energy goals. This includes funding to accelerate the adoption of ultra-low global-warming-potential refrigerants.
- **\$574,000** ongoing Greenhouse Gas Reduction Fund (GGRF) to **OPR** to support the California Air Resources Board to **update GGRF grant guidelines** and eligibility, and support grant applicants connecting with workforce development resources in their region pursuant to AB 680, Chapter 746, Statutes of 2021.