



ECONOMIC DEVELOPMENT ROUNDTABLE

DECEMBER 16, 2021

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



WELCOME AND OVERVIEW

Agenda Item I

REVIEW THE AGENDA

- I. Welcome and Overview
- II. Economic Data
- III. Association and Public Program Updates
- IV. Implementation of Economic Recovery Programs
- V. Information Sharing of Upcoming Economic Recovery Proposals
- VI. Final Comments and Adjournment

JEDE CHAIR ASSEMBLYMEMBER SABRINA CERVANTES

- Elected to the Assembly in 2016.
- Has 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>



THANK YOU FOR YOUR WORK AND COMMITMENT

It has been a challenging 21 months.

Working together — we have helped to sustain our communities through the economic, as well as the health impacts of COVID-19.

Many of us have lost family members, friends, and valuable community partners.

Our communities have endured the significant layoff of workers, the closure of businesses, and then the struggles of reopening in a changed marketplace.

Throughout these disastrous events, we have also forged new partnerships and innovations. JEDE recognizes that each of you have consistently gone above and beyond your official “job description.”

We say thank you for always trying to do your best and being a **JEDE Friend**.





ECONOMIC DATA

Agenda Item II

REFLECTIONS ON CALIFORNIA'S COVID-19 RECOVERY

Immediate Economic Impact:

- CA experienced a 1.6 million drop in jobs between the first and second quarters of 2020.
- Lower-wage workers and small businesses were most impacted by business closures, including workers and businesses owned by people of color, as well as women.
- It is estimated that 19,000 businesses in CA permanently closed their doors during the pandemic.

Reopening:

- CA experienced a level of job growth between April 2020 to July 2021 not seen previously in the official data series that began in 1990.
- Recovery is supported by vaccines – over 77.9% of CAs over the age of 5 have had at least one shot.
- CA has had an unequal recovery, and many areas of the state and industry sectors are still in distress.

DATA POINTS

FEDERAL Unemployment – 4.3%

(October 2021) (November Unemployment 2021 – 4.2%)

- ❖ US nonfarm payroll employment increased by 531,000 in October 2021, and the unemployment rate was 4.3% with 7.4 million people unemployed.
- ❖ Greatest job growth in October 2021 occurred in leisure and hospitality, in professional and business services, in manufacturing, and in transportation and warehousing.
- ❖ The October 2021 unemployment rates: 11.9% for Teenagers, 4.4% Adult Women, 4.3% Adult Men, 7.9% Blacks, 5.9% Hispanics, 4.2% Asians, and 4.0% Whites.
- ❖ The labor force participation rate was 61.6% in October 2021, which is essentially a return to the level in February 2020.
- ❖ Nonfarm employment has increased by 18.5 million since April 2020 but is down by 3.9 million (2.6%) from its pre-pandemic level in February 2020.
- ❖ There were 6 million persons not in the US labor force in October 2021 who wanted a job, 968,000 higher than in February 2020.

CALIFORNIA Unemployment – 7.3%

(October 2021) (State data for Nov is available Dec 21, 2021)

- ❖ Total nonfarm employment in CA for October 2021 was 17.6 million, reflecting an increase of 32,700 jobs from the prior month, up 588,800 from October 2020.
- ❖ CA reported over 1.3 million unemployed individuals for the month of October 2021, -471,200 lower than in October 2020.
- ❖ CA has regained 1.8 million (67.4%) of the 2,714,800 jobs that were lost in March and April 2020 due to the COVID-19 pandemic.
- ❖ For 53.4% of the people who filed for some form of unemployment-related benefit in the week ending November 27, 2021, their highest level of educational attainment was a GED or high school diploma. \$179 billion paid to out-of-work Californians since start of pandemic.
- ❖ October 2021 unemployment rates: 17.0% for Teenagers, 12.3% Blacks, 8.9% Hispanics, and 7.5% Whites. Comparable unemployment rate is 7.8%. The labor participation rate in October was 61.1% represents an increase of 0.3% from the prior year.

NEW MASK GUIDANCE AND OMICRON VARIANT

New Mask Guidance: <https://covid19.ca.gov/masks-and-ppe/>

- CA has had 4,896,401 confirmed COVID-19 cases.
- There have been 74,794 COVID-19 deaths.
- There are 3,952 hospitalizations statewide.
- There are 956 ICU patients statewide.
- Most new cases are among unvaccinated individuals. The unvaccinated were:
 - 7.1 times more likely to get COVID-19 (data from Nov 28 - Dec 4, 2021).
 - 12.8 times more likely to be hospitalized (data from Nov 21 - 27, 2021).
 - 15.8 times more likely to die from COVID-19 (data from Nov 14-20, 2021).

CDPH issued a [statement on the Omicron variant](#) on November 28, 2021. The recent emergence of the Omicron variant further emphasizes the importance of getting a vaccine, booster, and taking prevention efforts needed to protect against COVID-19.

As of December 14, 2021, 48 confirmed cases associated with the Omicron variant have been reported to the state.

This number will be updated weekly with the other variants California is currently monitoring on this [webpage](#). For more information about the variant, see the [Omicron variant fact sheet](#).

FAQ ON LABOR AND EMPLOYMENT TERMS

- **What is the definition of the civilian labor force?** The labor force includes all people age 16 and older who are classified as either employed or unemployed. Those persons not classified as employed or unemployed are not in the labor force.
- **Is the count of unemployed persons based on the number of people receiving unemployment insurance benefits?** No; the estimate of unemployment is based on a monthly sample survey of households. There is no question relating to unemployment insurance benefits in the monthly survey.
- **How is a person classified as employed?** A person is employed if, during the survey reference week, they meet any of the following criteria: (1) they worked at least 1 hour as a paid employee or in their own business; (2) they were temporarily absent from their job, business, or farm, whether or not they were paid for the time off; or (3) worked without pay for a minimum of 15 hours in a business or farm owned by a member of their family.
- **How is the unemployment rate calculated?** The unemployment rate is the number unemployed as a percent of the labor force. A person is classified as unemployed if, based on the monthly sample survey of households: (1) they had no employment during the reference week; (2) they were available for work; and (3) they made specific active efforts to find employment sometime during the 4-week period ending with the reference week.
- **What are the alternative measures of labor underutilization (U-1 through U-6)?** In addition to the official unemployment rate, the Bureau of Labor Statistics publishes a range of alternative measures of labor underutilization. Together, these are known as the U-1 through U-6 rates. [Concepts and Definitions \(CPS\) \(bls.gov\)](#) (see next slide)

ALL SIX RATES, U-1 THROUGH U-6, ARE PRODUCED SOLELY FROM DATA COLLECTED IN THE CURRENT POPULATION SURVEY.

U-1 is limited to people unemployed for 15 weeks or longer and is expressed as a percentage of the civilian labor force. U-1 is calculated as: $(\text{Unemployed 15 or more weeks} \div \text{Labor Force}) \times 100$.

U-2 is limited to unemployed job losers, including people who completed temporary jobs, and is expressed as a percentage of the civilian labor force. U-2 is calculated as: $(\text{Unemployed job losers and people who completed temporary jobs} \div \text{Labor Force}) \times 100$.

U-3 is the official unemployment rate. It is the total number of unemployed people, expressed as a percentage of the civilian labor force. U-3 is calculated as: $(\text{Total Unemployed} \div \text{Labor Force}) \times 100$.

U-4 adds discouraged workers to the total number of unemployed people, and is expressed as a percentage of the civilian labor force plus discouraged workers. (Discouraged workers are a subset of people not in the labor force. They are not included in the official unemployment measure because they have not searched for work in the last 4 weeks.) U-4 is calculated as: $((\text{Total Unemployed} + \text{Discouraged Workers}) \div (\text{Labor Force} + \text{Discouraged Workers})) \times 100$.

U-5 adds all people who are marginally attached to the labor force (which includes discouraged workers) to the total number of unemployed people, and is expressed as a percentage of the civilian labor force plus those marginally attached to the labor force. U-5 is calculated as: $((\text{Total Unemployed} + \text{Marginally Attached to the Labor Force}) \div (\text{Labor Force} + \text{Marginally Attached to the Labor Force})) \times 100$.

U-6 is the broadest measure of labor underutilization. In addition to the total number of unemployed and all people marginally attached to the labor force, U-6 includes people at work part time for economic reasons (also called involuntary part-time workers) and is expressed as a percentage of the civilian labor force plus the marginally attached. U-6 is calculated as: $((\text{Total Unemployed} + \text{Marginally Attached to the Labor Force} + \text{People at Work Part Time for Economic Reasons}) \div (\text{Labor Force} + \text{Marginally Attached to the Labor Force})) \times 100$.

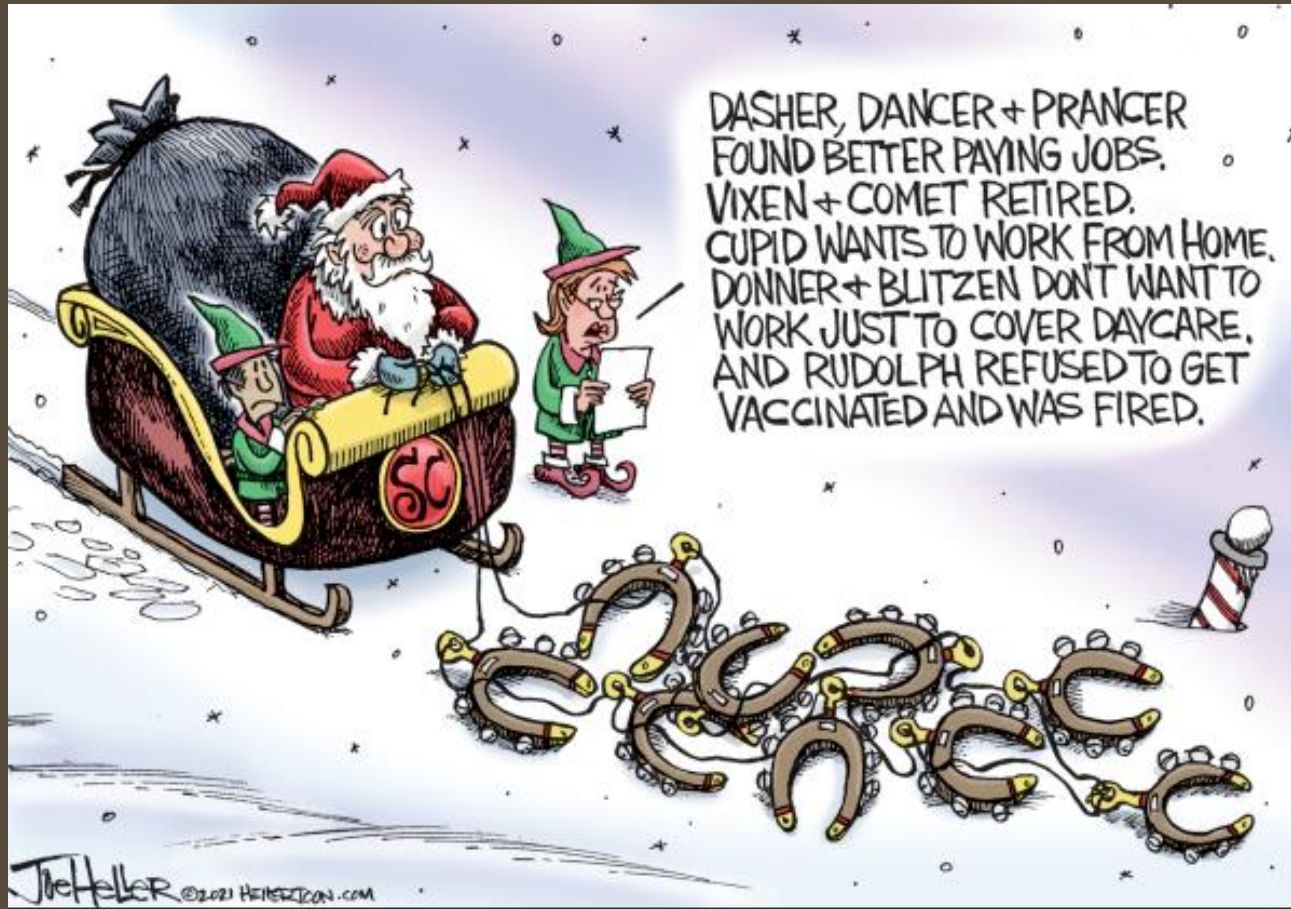


KEY RECOVERY CHALLENGES

Based on stakeholder engagement, published reports, and other committee activities

2021-2022 KEY RECOVERY CHALLENGES

- ❑ **Most Impacted Still Face Biggest Challenges:** Data continue to suggest that women- and minority-owned businesses were hardest hit and continue to have the greatest challenges in accessing technical and financial assistance.
- ❑ **With So Many Options, It Can Be Confusing:** The variety of programs make it difficult for businesses and workers to know where to start.
- ❑ **Complex Documentation Requirements:** Many of the state's smallest businesses find the documentation requirements for applying for COVID-19 resources to be a significant barrier.
- ❑ **Fast-Track Procurement Can Result in Less Small Business Participation:** Accessing state procurement opportunities are challenging with the number of contracts being made under disaster declarations and budget exemptions, as well as the loss of in-person events to meet primes.
- ❑ **Old Problems Become Greater Challenges:** COVID-19 is amplifying old business operation challenges, including local broadband capacity, supply chain disruptions, the cost of regulatory compliance, and the access to capital and a qualified workforce.
- ❑ **COVID-Generated Debts Are Coming Due:** In addition to addressing worker shortages, many small businesses are facing large re-payments of back rent while struggling to re-open.



The Great Attrition

Or the Great Attraction? A record number of employees are quitting their jobs, as the pandemic has irrevocably changed what workers expect. Organizations that learn why and act thoughtfully will have an edge in attracting and retaining talent



<https://t.co/EEvbkf5CBe>

CHECK LIST OF 2022 KEY ISSUES

- **Tracking and Monitoring of Programs Funded in 2020-21 and 2021-22:** The Legislature was very clear that new funding was to benefit those businesses and workers who were most impacted by COVID-19. This means a priority for our lowest-wage workers who may have lost their jobs or taken/continued to work in high-risk essential jobs, as well as a priority for our smallest sized businesses, including businesses owned by women and people-of-color.
- **Small Business Technical Assistance Expansion Program:** More TA funding and program changes are needed to meet current small business needs. Program updates and sunset extension included in AB 1072 (Reyes). The program sunsets January 1, 2024.
- **Pipeline of Capital-Ready Small Businesses:** Technical assistance funding is needed create a pipeline of small businesses who are ready to access capital programs funded through State Small Business Credit Initiative (SSBCI).
- **Commercial Rent Relief for Small Businesses:** The repayment of over a year of back rents by small businesses could be an overwhelming financial burden. AB 1147 (Cervantes), pending in Assembly Revenue and Taxation Committee, offers an incentive to landlords to forgive back rents in exchange for tax credits.
- **Net-Zero Emission Economy – Could Drive Workforce Training:** The Community Economic Resiliency Fund program is only one part of the state's work in creating an equitable transition to a zero-emission economy. There can be no transformative set of actions until there is an authentic recognition of who Californians are today and how these necessary changes will impact all industry sectors and communities.
- **Preparing for Federal Infrastructure Funding:** CA received \$45.5 billion in federal infrastructure funds. We have a lot of work to do to prepare for these funds – especially if we want these moneys to help lift workers who have historically been underserved.
- **\$2 Billion Unemployment Insurance Mitigation for Small Businesses:** Without state intervention, small businesses will be forced to pay higher UI costs due to government mandates to close businesses. 2021-22 budget discussions included a Legislative proposal (\$2 billion) and a Governor proposal (\$1.1 billion).



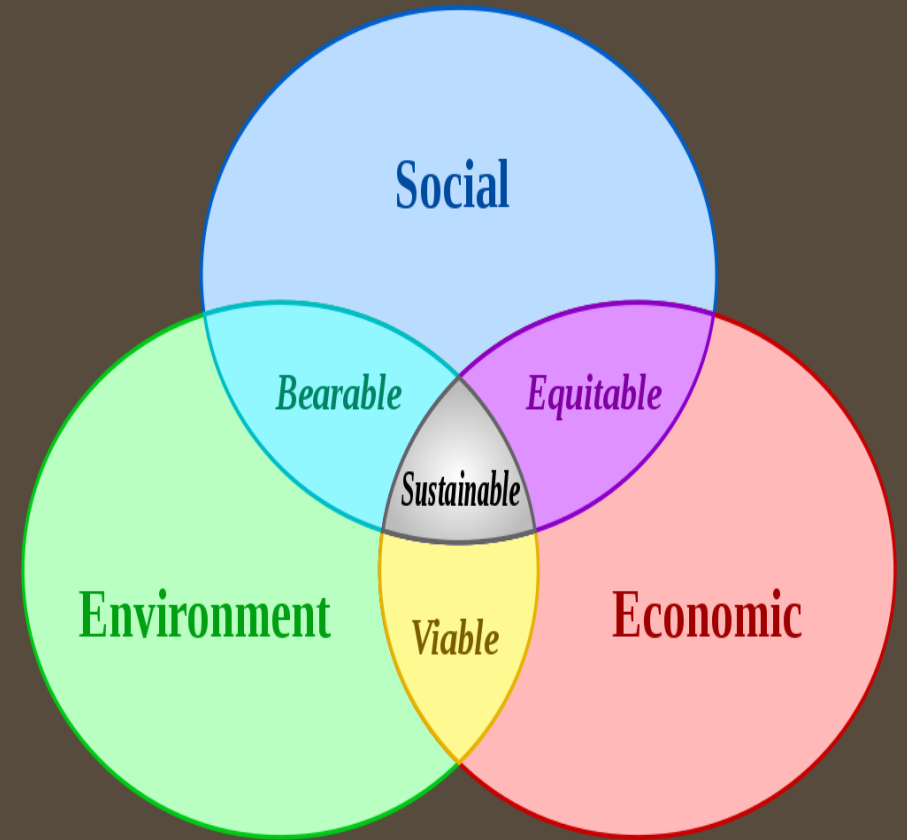
ASSOCIATION AND PUBLIC PROGRAM UPDATES

Agenda Item III

SPEAKERS — AGENDA ITEM III

- **Heidi Pickman** with [CAMEO](#)
- **Tracy Stanhoff** with American Indian Chamber of Commerce of CA and a PTAC host
- **Claudia Viek** with Invest in Women Entrepreneurs and the [California Women's Business Center Network](#)
- **Jessica Gonzales** with the [Economic Development Department](#) at City of Corona and CALED Board Member
- **Charlotta Carter** with GRI Technology Solutions, member of the [National Small Business Advisory Council](#), and member of the [DGS Small Business Advisory Council](#)
- **Bianca Blomquist** with [Small Business Majority](#)
- **Lorrie Aiello** with [California Manufacturing Technology Consulting](#)
- **Jai Sharma** with the [Silicon Valley Consulting Group](#) and member of the [DGS Small Business Advisory Council](#) (after 3:00 pm)

All roundtable participants are encouraged to share their priorities and experiences.



NEW SURVEY FROM SMALL BUSINESS MAJORITY

Supply Chain Disruptions – Nearly half of small businesses have struggled to acquire new inventory during the holiday season.

- 47% report being forced to increase prices on their services and goods due to ongoing supply chain challenges
- 46% report this has limited their ability to acquire new inventory
- 40% have been delayed in fulfilling customer orders
- 16% say it has disrupted their holiday sales plans

Vaccines – Of those small businesses with employees, 42% require all or some of their workers to be vaccinated, and an additional 21% are considering doing so.

- The majority of small businesses support (56% total support, 45% strongly support) the federal government's rule that would require businesses with 100 or more employees to require coronavirus vaccines and/or regular testing for their workers
- 33% of small businesses surveyed said they oppose the vaccine mandate.

More information about the survey released by Small Business Majority on December 14, 2021, can be found at <https://smallbusinessmajority.org/our-research/small-businesses-views-on-vaccine-mandates-supply-chain-disruptions-and-build-back-better>

ENTREPRENEURSHIP WORKSHOPS HOSTED BY THE AMERICAN INDIAN CHAMBER FOUNDATION

Module 3 – Proposals
Thursday, Jan 21
9:30 am to 12:30 pm

Module 4 – Negotiations
Friday, Feb 26
9:30 am to 12:30 pm

Module 5 – Operations:
Processes & Quality Control
Thursday, Mar 18
9:30 am to 12:30 pm

Module 6 – Operations: Human
Resources - Job Development
& Retention
Thursday, Apr 22
9:30 am to 12:30 pm



TRIBAL BUSINESS EMPOWERMENT JOURNEY

The Tribal Business Empowerment Journey Program (TBE Journey) is a certificate program to assist tribes, tribal enterprises, and American Indian/Alaska Native businesses in job creation, job retention and entrepreneurial success through a series of in-person and online training sessions augmented with peer-to-peer mentorship consultation connecting participants with actual American Indian/Alaska Native (AI/AN) business owners.

The program is also designed to provide access to resources and tools for entrepreneurial success that only an organization such as the American Indian Chamber Education Fund (AICEF) and our number of collaborators from government agencies, business development centers, corporate America and Indian Country can offer.

The TBE Journey will take attendees on a business transforming trek consisting of 15 modules that address the unique entrepreneurial development needs from the "voice of" and "point of view of" tribal and American Indian/Alaska Native businesses with the assistance of our AICEF partners.

One especially valuable aspect of this program will be access to Indian Country business owner mentors who will provide feedback along the journey for the program participants.

15 Modules Designed For Success

- Strategies, Planning, Collaboration
- Business Structures & Processes
- Researching & Forecasting Today's Needs
- Service & Product Delivery
- Negotiations, Controls, HR Tips
- Accessing \$5 Financing For Growth
- Fine-Tuning & Responding to Proposals
- Pathways To Sustainable Success
- Critical Analysis, Resources, Metrics

AMERICAN INDIAN CHAMBER EDUCATION FUND

Contact the American Indian Chamber Education Fund Today to Join the Journey
Journey Coordinator: Linda Sandoval, 541-391-2992 • outreach@aicccal.org
No Charge to Attend • Travel Stipends Available • Funded Through A Very Generous Grant

Module 7 – Safety Policies &
Cyber Security
Thursday, May 20
9:30 am to 12:30 pm

Module 9 – Strategically Targeting
Your Products & Services
Friday, Sep 24
9:30 am to 12:30 pm

Module 10 – Developing Your Sales
Culture - Pitch Perfect & Stellar
Capability Presentations
Thursday, Oct 21
9:30 am to 12:30 pm

GOVERNOR'S 2021 SOCIAL INNOVATION IMPACT REPORT

According to the announcement, the “Governor continues the commitment to the state’s tradition of innovative leadership in the following areas:

- COVID-19 Vaccine Equity and Outreach
- Housing for Individuals Experiencing Homelessness
- Dignity for Migrants, Refugees, and Asylum Seekers
- Climate Resilience and Disaster Relief

California has spearheaded 44 public-private partnerships totaling more than \$4 billion in corporate and philanthropic contributions and engaging more than 1,600 community-based organizations. In 2021, public-private partnerships invested \$138 million in communities across the state. A copy of the report can be found [here](#).”

THE IMPACT OF OUR PUBLIC-PRIVATE PARTNERSHIPS SINCE NOVEMBER 2020:



Reached 430,000 low-income Californians to help connect them with critical benefits including cash assistance, food, and healthcare



Supported 700+ community-based organizations providing COVID-19 vaccine outreach and education



Educated 14 million Californians about COVID-19 safety and vaccines, including assisting over 1.4 million individuals with COVID-19 vaccination appointments



Provided 1,633,250 personal protective equipment items including masks, hand sanitizer, and gloves



Provided workforce development training to 68,300+ Californians



Increased vaccination rates by 22% in June 2021 from in-kind incentives



Hosted 8,551 tabling and canvassing events to assist and educate communities about COVID-19 vaccines



Purchased 86 tiny homes for veterans



Distributed one-time cash assistance to 92,000 undocumented Californians to relieve the impacts of COVID-19



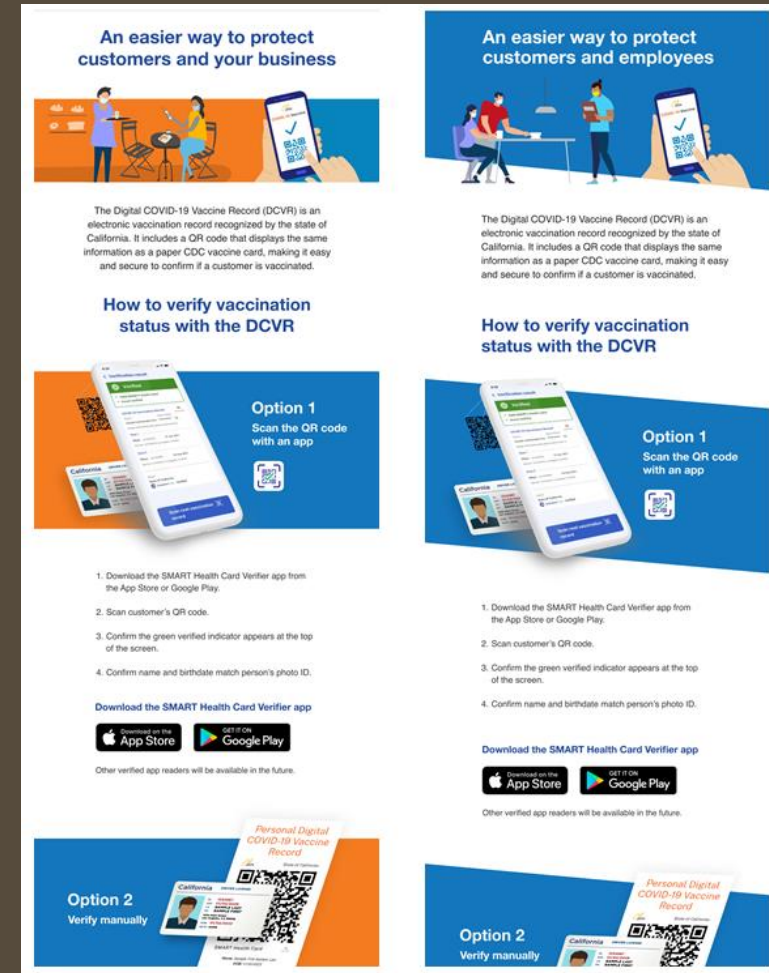
Secured homes to help house 1000 Afghans arriving in California

DIGITAL COVID-19 VACCINE RECORD

Using the [California Digital Covid-19 Vaccine Record](#) is an easier way to protect customers and your business. In partnership with the California Department of Public Health, we're providing simple flyers and toolkit assets to share how easy it is to use California's Digital Covid-19 Vaccine Record.

Below are two different pdf flyers that are easily shareable with members and businesses. Option 1 is available [here](#). Option 2 is available [here](#). Additionally, we've also included all image and logo assets for your use as well should you wish to customize your own flyer or digital content.

Follow the link [here](#) for **pdf and jpg versions** of our DCVR "how to" flyers. **Customize** your own email or flyers by downloading the full toolkit, available [here](#).





California's Manufacturing Network

California Manufacturing Technology Consulting (CMTC)

**Helping Manufacturers Utilize
Advanced Manufacturing Technologies**

12-16-2021



CMTc is connected to a broad network supporting manufacturing



⚙ U.S. Department of Commerce



⚙ National Institute of Standards and Technology (NIST)



MEP • MANUFACTURING
EXTENSION PARTNERSHIP

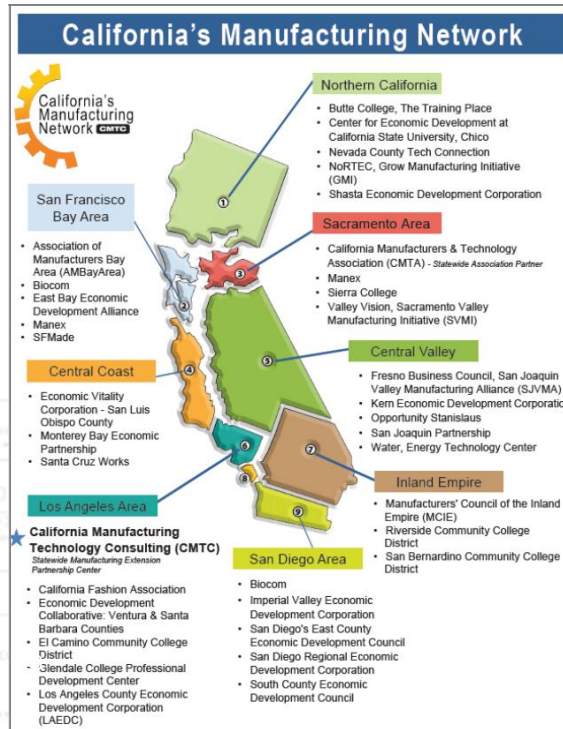
⚙ Manufacturing Extension Partnership (MEP)
National Network Program <https://www.nist.gov/mep>



⚙ CMTc is California's statewide MEP and the largest of 51 across the U.S. www.cmtc.com

MEP National Network





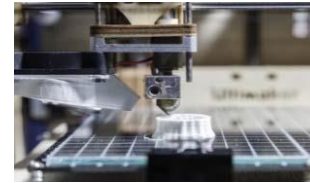
Our Statewide Partnership

- **California's Manufacturing Network** efficiently serves small and medium-sized manufacturers in urban and rural areas.
- **Members of the Network include:**
 - Community Colleges, Universities
 - Economic Development Organizations
 - Industry Associations
 - Manufacturing Alliances



CMTC has received funding to pilot Advanced Manufacturing Technologies projects

**A pilot program to address barriers
preventing manufacturers from adopting
these technologies:**



3 Target Technologies

- ⚙ Additive Manufacturing
- ⚙ Automation and Robotics
- ⚙ Smart Manufacturing



3 Target Industries

- ⚙ CNC Machining: focus on Aerospace, Medical, Precision Turned, Precision Machined.
- ⚙ Food & Beverage Production
- ⚙ Plastic Injection Molding Industries



To participate, the manufacturer must meet the Pilot Program requirements

Program Qualification

The manufacturer must have a need for one of the six industry – technology pairings:

- ⚙ Advanced Manufacturing - Conformal Cooling Molds (*Plastic Injection Molding*) and Fixtures & Jigs (*CNC Machining*)
- ⚙ Automation & Robots - Machine Tending Robots (*CNC Machining*) and Machine Vision Systems (*Food & Beverage Production*)
- ⚙ Smart Manufacturing - Production Condition Monitoring (*Food & Beverage Production; Plastic Injection Molding*)

Funding Qualification

By accepting offset funding for this pilot program the manufacturer is agreeing to:

1. Implement an evaluation method to calculate the actual ROI resulting from the project
2. Allow publication of a case study with ROI about the project
3. Complete a NIST Survey



Funding is available to offset the cost of the pilot project

Engagement Step

Discovery

Assessment

Project

Costs & Offset

Discovery - No Cost

Assessment - No Cost

Project - Manufacturer purchases the Hardware and Software, and pays a portion of the Integrator Services (the HW / SW staff)

CNC Machining industry: utilize Additive Manufacturing to Print Fixtures & Jigs; and Machine Tending Robots

Benefits

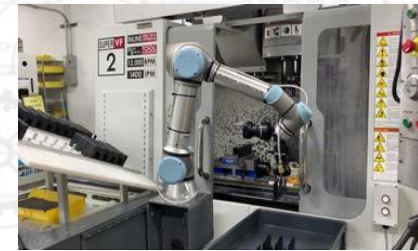
- ⚙ Increase efficiency
- ⚙ Enable multiple shifts
- ⚙ Improve product quality
- ⚙ Optimize production output
- ⚙ Improve worker health & safety

Solutions

- ⚙ **Advanced Manufacturing: Printed Holding Fixtures & Jigs**



- ⚙ **Automation & Robotics: Loading & Unloading CNC Machines**



Food & Beverage industry: benefits from Machine Vision Systems and Production Condition Monitoring

Benefits

- ⚙️ Optimize production throughput
- ⚙️ Predict machine maintenance
- ⚙️ Reduce unplanned downtime
- ⚙️ Reduce production waste
- ⚙️ Improve product quality
- ⚙️ Reduce energy costs
- ⚙️ Inspect assembly and packaging
- ⚙️ Detect allergens / contaminants

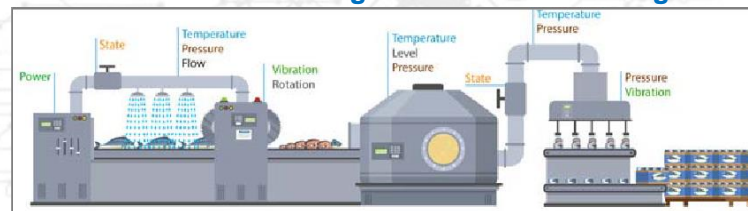


Solutions

⚙️ Automation: Machine Vision (Quality Inspection)



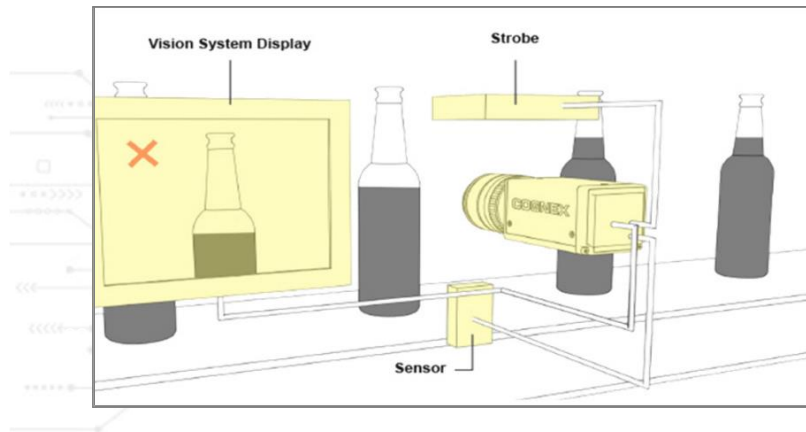
⚙️ Smart Manufacturing: Condition Monitoring Sensors





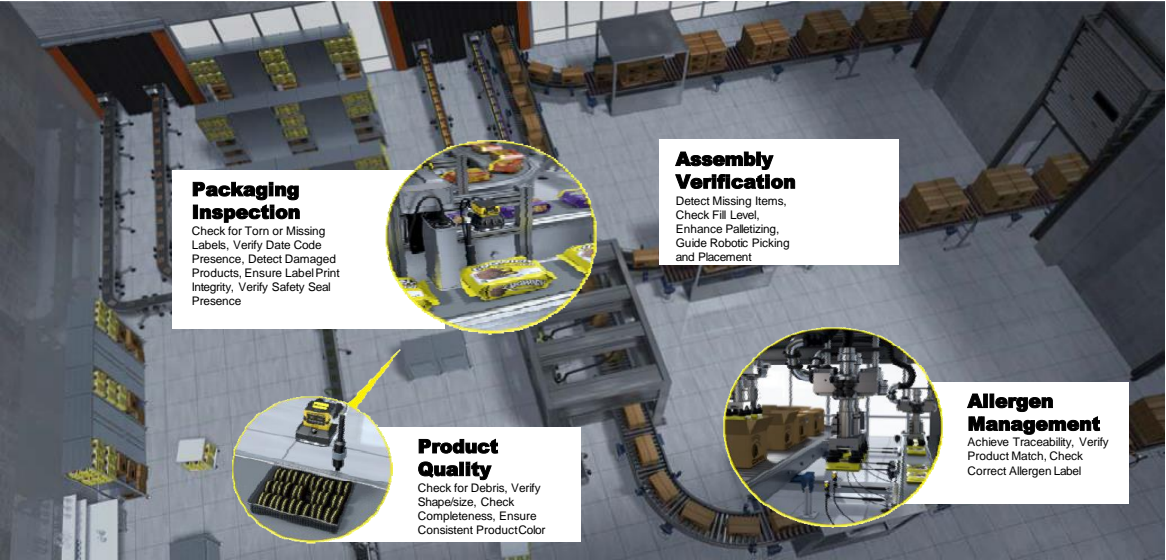
One application of Machine Vision is the use of cameras to monitor quality

- ⚙ Camera lens and sensor captures images
- ⚙ Vision Software interprets the images





Machine Vision can support quality and regulatory compliance for Food & Beverage manufacturers



Packaging Inspection

Check for Torn or Missing Labels, Verify Date Code Presence, Detect Damaged Products, Ensure Label Print Integrity, Verify Safety Seal Presence

Assembly Verification

Detect Missing Items, Check Fill Level, Enhance Palletizing, Guide Robotic Picking and Placement

Product Quality

Check for Debris, Verify Shape/size, Check Completeness, Ensure Consistent Product Color

Allergen Management

Achieve Traceability, Verify Product Match, Check Correct Allergen Label

GUIDE - ENSURE

INSPECT - IMPROVE

GAUGE - PROTECT

IDENTIFY - TRACE

www.cmtc.com

Plastic Injection Molding industry: benefits from Printing Molds; using Sensors and Analytics to Monitor Key Indicators

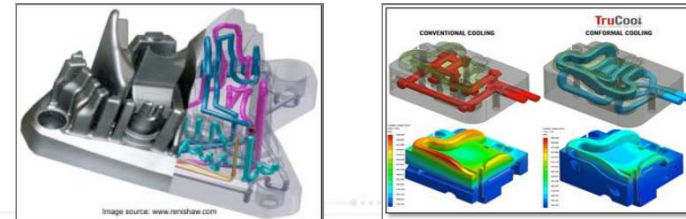
Benefits

- ⚙️ Optimize production throughput
- ⚙️ Predict machine maintenance
- ⚙️ Reduce unplanned downtime
- ⚙️ Reduce production waste
- ⚙️ Improve product quality
- ⚙️ Reduce energy costs



Solutions

- ⚙️ **Adv. Mfg: Printed Molds with Conformal Cooling**



- ⚙️ **Smart Mfg: Condition Monitoring Sensors**





Advanced Mfg. Case Study - Heat Seal Inc.

- ⚙ Original part:
 - ⚙ hand made in shop; production time – 3 days
 - ⚙ Shape, weld and paint the metal
 - ⚙ Cost = \$9.00
- ⚙ A 3D printed part was made to show the client what the product would look like if injected molded
- ⚙ Equipment manufacturer was convinced that a conversion from metal to nylon would result in an acceptable look and feel for the user.
- ⚙ How long does it take now?
 - ⚙ Less than 45 seconds per part
 - ⚙ Cost = \$.90





Smart Mfg. Case Study – Improving Product Quality

⚙️ Situation

- ⚙️ Tortilla chips were often undercooked - variations in fryer oil temperature were suspected to be the cause

⚙️ Solution

- ⚙️ Compare batch start times and results to fryer oil temperature to understand why tortillas are undercooked
- ⚙️ Installed low cost sensor on a pipe between the fryer and oil reservoir and inferred fryer oil temperature

⚙️ Results

- ⚙️ Temperature readings sent to cloud platform for analysis
- ⚙️ Identified variations in oil temperature between batches that caused inconsistent frying results
- ⚙️ Implemented process changes to ensure correct oil temperature before each batch. Eliminated undercooking of tortilla chips.





Questions



Contact Us!

Lorri Aiello

Senior Manager, Strategic Partnerships
CMTC

aiello@cmtc.com

(619) 846-6773



Contact CMTC for More Information

Advanced Manufacturing Technology Services (AMTS)

Help and more resources are available on CMTC website:

Additive Manufacturing: <https://www.cmtc.com/additive-manufacturing> Robotics &

Automation: <https://www.cmtc.com/advanced-robotics> Smart Manufacturing:

<https://www.cmtc.com/smart>



IMPLEMENTATION OF ECONOMIC RECOVERY PROGRAMS

Agenda Item IV

SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds with the JEDE Committee to facilitate our discussion
- ❑ Heidi Pickman with CAMEO to discuss their CDFI Incubator
- ❑ Don Howard, president and CEO of the James Irvine Foundation, will be discussing inclusive economic development models, including implementation of the Community Economic Resilience Fund. (2:15 pm)
- ❑ Darrene Hackler with Smart Incentives to discuss Kauffman Foundation report, INCENTIVES FOR ENTREPRENEURIAL FIRMS. (2:45 pm)

Roundtable participants are encouraged to use this time to share new and update on-going initiatives to address economic recovery challenges.



PROGRAMS WE ARE TRACKING

Approved Programs & Initiatives

LINKS TO PROGRAM AND FUNDING PACKAGES

- [\\$900 million COVID Relief Act](#) and \$1.4 billion Omnibus Appropriation Act (federal) – signed into law in December 2020
- [\\$1.9 trillion Biden American Rescue Plan](#) (federal) – signed into law on March 11, 2021
 - Includes \$894 million in [State Small Business Credit Initiative](#)
- [\\$7.6 billion Early Action Budget Agreement](#) to provide relief to Californians experiencing pandemic hardship, including \$2.1 billion for small businesses (state) – signed into law on February 23, 2021
- [California \\$6.2 billion tax cut to small business](#) (state) – signed into law on April 29, 2021
- [California State Budget for 2021-22](#) (state) – signed into law on July 12, 2021
- [\\$1.7 trillion INVEST in America Act](#) (HR 3684 federal) – signed into law on November 15, 2021

Incentives for Entrepreneurial Firms

DARRENE HACKLER, Ph.D.
Inclusive Economy/Economic Development Roundtable
California Assembly Committee on Jobs, Economic
Development, and the Economy



December 16, 2021

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Incentives for Entrepreneurial Firms

[*Report](#) and [*Technical Appendix](#)

Provides practitioners and policymakers with insights regarding the use of business incentives and guidance for offering incentives to entrepreneurial firms.

Darrene Hackler, PhD

Ellen Harpel, PhD

August 2021



**Funded by the Ewing Marion Kauffman Foundation*

Insights on the Effectiveness of Incentives

Financial

- Small business **lending** programs can be effective, but most are too small to have substantial community- or firm-level impacts.
- Despite risks associated with public funds for private equity investment, it remains a popular strategy.
- **Grants** appear to have positive firm-level effects, including employment and sales growth.

Fiscal

- **Angel investor tax credits** appear to have positive but limited firm and community impacts; however, the research is not definitive.
- **Tax incentives** are not the best method of helping entrepreneurial firms because these businesses tend to have little tax liability.

Services (Technical Assistance, Incubators/Accelerators)

- **Services** to entrepreneurial firms appear to generate positive firm-level outcomes but it is not clear which type of services are most valuable.

Increase Effectiveness of Entrepreneurial Firm Incentives

Policy goal must drive incentive design, implementation, administration, data collection, and reporting.

- Which entrepreneurial/startup problems do the research and data indicate that an incentive program can address?
- What is the equity dimension and what is driving the disparities?

Program Structure

- Ensure budget, amount of incentive/assistance, timing, and the mechanism used can attain the goal/outcome.
- Active program management and improved new data collection and tracking systems (use, costs, outcomes) increase effectiveness and limit risk.
- Don't inadvertently narrow eligibility and limit participation by making the paperwork onerous. Does the application fit the amount of assistance?

Early Insights on Relief and Recovery Business Incentives

Pandemic impact advances an equity dimension and incentives can help embed sustainable equitable economic development practices.

- Equity and inclusion goals and metrics complement economic growth objectives and increase economic prosperity for both historically marginalized populations and the whole economy.
- Prioritize investment that benefits distressed locations and the people living in those communities.
- Use culturally competent outreach and marketing.

Transparency of the distribution of funds is not robust.

- Make the data available on program applicants and funding distribution to assess whether targeted firms were reached.
- Create metrics and track recipients to evaluate the impacts of incentives.

About Smart Incentives

We help communities make sound decisions throughout the incentives process to achieve our community's economic development goals.

- ✓ Analyze incentive offerings and program design.
- ✓ Apply the Smart Incentives 4x4 framework for program management.
- ✓ Offer access to high-quality business intelligence, data, and analytical methods to guide decisions.
- ✓ Improve evaluations and reporting on program results.

Contact

Thank you for your interest in this work.

For full documentation of sources, data samples, methods, and interpretations, please see:

Incentives for Entrepreneurial Firms [Report](#)
and [Technical Appendix](#)

To avoid misinterpretations, please contact:

Darrene Hackler
202/415.2870

darrene@smartincentives.org
<https://smartincentives.org>



[@SmartIncentives](#)
[@dhackler](#)



BUILD BACK BETTER INFRASTRUCTURE

Enacted November 15, 2021

BIPARTISAN INFRASTRUCTURE LAW

- Permanently establishes the Minority Business Development Agency (Major accomplishment).
- \$55 billion to expand access to clean drinking water for households, businesses, schools, and child care centers.
- \$65 billion to help ensure that every American has access to provide reliable high-speed internet through broadband infrastructure deployment.
- Reauthorizes surface transportation programs for five years and invest \$110 billion in additional funding to repair roads and bridges and support major, transformational projects.
- \$89.9 billion in guaranteed funding for public transit over the next five years.
- \$17 billion in port infrastructure and waterways and \$25 billion in airports to address repair and maintenance backlogs, reduce congestion and emissions near ports and airports, and drive electrification and other low-carbon technologies.
- \$7.5 billion to build out a national network of EV chargers.
- \$65 billion investment in clean energy transmission and grid upgrades.

Links to more detail on what is in the [new infrastructure law](#). [White House](#) [DOT](#) [DOC](#) [NCSL](#)

CALIFORNIA PREPARING FOR \$45.5 BILLION FEDERAL INFRASTRUCTURE FUNDING

- Senate Office of Research prepared a report, “[The Infrastructure Investment and Jobs Act: Transportation Overview](#),” summarizing major transportation provisions of the federal infrastructure bill, including information on new competitive grant programs, many of which prioritize climate, equity, and sustainability.
- Legislative Analyst’s Office [series of facts sheets](#) on state infrastructure financing.
- 2021 [America Infrastructure Report Card](#) prepared by the American Society of Civil Engineers.
- 2019 [California Infrastructure Report Card](#) (most recent) prepared by the American Society of Civil Engineers.
- 2021 [California 5-Year Infrastructure Plan](#) which focuses on state- and local government-responsible assets, with several new components that include climate resilience, broadband, education.
- California Public Utilities Commission [infrastructure resources](#), including information on the need for new infrastructure investments to support the State’s transition to a low-carbon energy infrastructure.

STATE PROGRAM UPDATES



SELECTION OF STATE SMALL BUSINESS RESOURCES

- ❑ \$4 billion Small Business Grant Program. Qualifying small businesses and nonprofits can receive awards of up to \$25,000. \$1.5 billion added through the 2021-22 budget <https://business.ca.gov/about/publications/> (look under CA Small Business Covid-19 Relief Grant Program)
- ❑ \$200 million Main Street Tax Credit. \$100 million added through the 2021-22 budget <https://www.ftb.ca.gov/file/business/credits/small-business-hiring-credit.html>
- ❑ \$120 million new capitalization for the Small Business Disaster Loan Guarantee Program. \$50 million added through the 2021-22 budget <https://www.ibank.ca.gov/small-business/disaster-relief/>
- ❑ \$65 million for entrepreneur seed grant programs to assist aspiring entrepreneurs from economically disadvantaged groups. 2021-22 Budget included \$35 million (Office of the Small Business Advocate) and \$20 million (California Workforce Development Board/Employment Training Panel) <https://etp.ca.gov/grants/>
- ❑ \$37.5 million contributed by the state to the California Rebuilding Fund, a networked loan program which is capitalized with public and private capital. \$12.5 million added in 2021-22 budget <https://www.connect2capital.com/p/californiarebuildingfund/>
- ❑ \$17 million Small Business Technical Assistance Expansion Program to provide free one-on-one counseling and training to small businesses and nonprofits. Third year of the five year commitment <https://calosba.ca.gov/local-direct-assistance/small-business-centers/>

NEW TOOL TO HELP IDENTIFY BUSINESS INCENTIVES



**CALIFORNIA BUSINESS
COMEBACK GUIDE**



CALIFORNIA BUSINESS COMEBACK GUIDE

DECEMBER, 2021

GOVERNOR'S OFFICE OF BUSINESS &
ECONOMIC DEVELOPMENT (GO-BIZ)

GAVIN NEWSOM, GOVERNOR

DEE DEE MYERS, DIRECTOR

TABLE OF CONTENTS

BUSINESS DEVELOPMENT & SUPPORT	1
EMPLOYMENT & WORKFORCE	4
EQUIPMENT & MACHINERY	5
FINANCING & START-UP SUPPORT	7
POWER & UTILITIES	10
FINDING FUNDING TOOLKIT	11
GO-BIZ SERVICES	12
GO-BIZ SUBSCRIPTIONS	13
BUSINESS INVESTMENT SERVICES (CALBIS)	14



[https://static.business.ca.gov
/wp-
content/uploads/2021/12/
GO-Biz-California-Business-
Comeback-Guide.pdf](https://static.business.ca.gov/wp-content/uploads/2021/12/GO-Biz-California-Business-Comeback-Guide.pdf)

BUSINESS DEVELOPMENT & BUSINESS SUPPORT

INCENTIVE NAME	TYPE	AUTHORITY	ELIGIBILITY	TOTAL \$ AVAILABLE	MAX AWARD	TIMING	CONTACT
<u>CALIFORNIA COMPETES GRANT</u> <u>*NEW*</u>	STATE GRANT	<u>STATE:</u> <u>GO-BIZ</u>	QUALIFYING BUSINESSES	\$120,000,000 ONE TIME	\$36,000,0000	JAN 3 - JAN 24, 2022	EMAIL: <u>CALCOMPETES@GOBIZ.CA.GOV</u> PHONE: 916-322-4051
<u>CALIFORNIA COMPETES TAX CREDIT (CCTC)</u>	STATE INCOME TAX CREDIT	<u>STATE:</u> <u>GO-BIZ</u>	ANY BUSINESS	\$394,707,469 IN FY	20% OF TOTAL AMOUNT IN FY	JAN 2022 & MAR 2022	EMAIL: <u>CALCOMPETES@GOBIZ.CA.GOV</u> PHONE: 916-322-4051
<u>CAPITAL INVESTMENT INCENTIVE PROGRAM (CIIP)</u>	PROPERTY TAX REBATE	LOCAL	SPECIFIED MFG BUSINESSES	BASED ON ASSESMENT	VARIES	ONGOING	EMAIL: <u>CALBIS@GOBIZ.CA.GOV</u> PHONE: 877-345-4633
<u>CASF BROADBAND INFRASTRUCTURE GRANT</u>	STATE GRANT	<u>STATE: CPUC</u>	TELEPHONE / WIRELESS BUSINESSES	\$300,000,000	\$5,000,000	JAN, 31, 2022	EMAIL: <u>CASF_APPLICATION_QUESTIONS@CPUC.CA.GOV</u>
<u>ELECTRIC PROGRAM INVESTMENT CHARGE (EPIC)</u>	STATE GRANTS	<u>STATE: CEC</u>	QUALIFYING ENERGY BUSINESSES	VARIES BY PROGRAM	VARIES BY PROGRAM	ONGOING	EMAIL: <u>ERDD@ENERGY.CA.GOV</u>
<u>FILM & TV - SOUNDSTAGE TAX CREDIT *NEW*</u>	TAX CREDIT	<u>STATE:</u> <u>GO-BIZ-CFC</u>	ELIGIBLE PROJECTS	\$150,000,000 ONE TIME	\$12,000,000 (SEASON/FILM)	PENDING	EMAIL: <u>SOUNDSTAGEINCENTIVE@FILM.CA.GOV</u>
<u>FILM & TV - TAX CREDIT 3.0</u>	TAX CREDIT	<u>STATE:</u> <u>GO-BIZ - CFC</u>	QUALIFYING MOTION PICTURES	\$410,000,000 IN FY	VARIES BY APPLICANT TYPE	JAN & MAR 2022	EMAIL: <u>INCENTIVEPROGRAM3@FILM.CA.GOV</u>

COMMUNITY ECONOMIC RESILIENCE FUND (OVERVIEW)

- **\$600 million** one-time federal ARPA funds for the **Community Economic Resilience Fund** to support the planning (\$50 million) and implementation (\$550 million) 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.
 - The regional roadmaps will focus on those sectors and regions most affected by the state's transition to carbon neutrality, as well as those most vulnerable to the state's increasing and immediate climate impacts.
 - The program builds on and is intended to help operationalize policies and actions related to GO-Biz "Regions Rise Together Initiative;" CWDB's high road training partnerships and transition work; OPR's Climate Equity Program, including the Regional Climate Collaborative Program; and the state's overall work on achieving a net-zero energy transition.
 - The CERF Program will provide \$550 million in follow-on funding for region- and industry-specific economic transition strategies outlined in the roadmap. Regions already engaged in economic recovery and transition planning may receive funding for economic diversification pilots prior to all regions submitting final transition plans.

COMMUNITY ECONOMIC RESILIENCE FUND (CORE ACTIVITIES)

- Regional and sub-regional economic recovery and transition plans (regional plans) will be developed through “skilled and impartial conveners” who will be funded to build inclusive planning tables. The regional plans will be:
 - Developed in a manner that provides equitable public participation and input
 - Focused on economic recovery, growth, and resilience across multiple sectors and contain the essential elements of a high road strategy
 - Based on industry cluster and labor market analysis
 - Used, where possible, for the development of sustainable and resilient industries, such as renewable energy, energy efficiency, carbon removal, zero-emission vehicles, advanced manufacturing, agriculture and forestry, and climate restoration and resilience.
- Implementation grants fund projects that are aligned with the regional plans. More specifically:
 - Funds will be awarded through June 30, 2024, on a rolling and competitive basis
 - All projects are required to:
 - Have the support of the regional intermediary
 - Address geographic equity (accounting for differences in urban, suburban, rural, and tribal communities) and emphasize investment in underserved jurisdictions
 - Include a range of activities related to economic diversification and the advancement of a high road economy
 - Support applicable labor standards, including prevailing wage, project labor agreements, and community workforce agreements
 - Coordinate with, advance, and complement, without supplanting, state and federal infrastructure investments
 - Align with regional workforce needs by linking directly to high road training partnerships wherever such partnerships exist
- Funds need to be spent or obligated by December 31, 2024. All funds need to be paid by December 31, 2026.

CERF PROGRAM — RFI

(COMMENTS DUE BY JANUARY 20, 2022)

The Labor and Workforce Development Agency and the Governor's Office of Planning and Research issued a [Request for Information \(RFI\)](#) to obtain public comments on CERF including, but not limited to, the following topics:

- Proposed metrics for Phase 1 and 2 of the program as they relate to inclusivity, equity, sustainability, economic competitiveness, and ARPA requirements. *Per ARPA guidelines, this project is categorized as “2.13: Other economic support.”*
- Considerations for approaching research in Phase 1 (e.g., *what are novel ways to gather existing information on labor market/industry analysis across the state, potential for the creation of tools, consideration of researchers in these fields, iterative means to approach lessons learned, etc.*).
- Considerations for approaching Phase 2 (e.g., *approach to feedback loops for learning and improvement throughout the program, best practices and lessons learned, analogous place-based investments to inform the work, tracking state investments alongside similar federal, private-sector, and philanthropic investments etc.*).
- Types of evaluation (e.g., *impact, process, implementation*) recommended.
- Cost estimates.

A link to additional information can be found at the bottom of this webpage (https://edd.ca.gov/Jobs_and_Training/notices/wsin21-23.htm). Comments are due by January 20, 2022 – early submissions are appreciated. Responses to the RFI must be submitted electronically to WSBCERF@edd.ca.gov. Please include “CERF RFI” in the email subject line.

UPDATE ON COMMUNITY ECONOMIC RESILIENCE FUND (CERF)

On October 28, 2021, EDD in collaboration with the Labor and Workforce Development Agency, the Office of Planning and Research, and GO-Biz opened a [public comment period](#) on the 13 proposed regions in California. Comments were due by November 10, 2021.

The 13 regions were based on an analysis from the state's Labor Market Information Division, in addition to other key factors. The following were considered when selecting the proposed regions:

- Connections to existing definitions of regions in California.
- Relative size of population.
- Geographic scale and size.
- Industry mix and economic relationships.

[Text of SB 162](#) – implantation bill

[CERF Proposed Regions Memorandum \(PDF\)](#)

[CERF Additional Details \(PDF\)](#)

Proposed CERF Economic Regions





THE JAMES IRVINE FOUNDATION

***CA State Assembly Committee on Jobs,
Economic Development, and the Economy
Inclusive Economy Roundtable***

*President & CEO Don Howard
in conversation with
Toni Symonds,
Chief Consultant to the JEDE Committee*

12/16/21

Overview

Mission

Expand opportunity for the people of California

Our focus

A California where all low-income workers have the power to advance economically

Our grantmaking

Initiatives:

- Better Careers
- Fair Work
- Priority Communities

Additional Grantmaking:

- Housing Affordability
- Just Prosperity (pilot grantmaking)
- Leadership Awards



Grantmaking initiatives

Better Careers

Connecting Californians to good jobs with family-sustaining wages, benefits, and advancement opportunities through access to job training, workforce development, and apprenticeships.



Fair Work

Ensuring greater fairness and opportunity for workers by connecting workers to vital information and services, reducing wage theft, ensuring access to rights and protections, and promoting civic engagement.



Priority Communities

Supporting efforts in five cities — Fresno, Salinas, Riverside, San Bernardino, and Stockton — to create and protect good jobs and support communities as they create economies that work for all residents.



A stylized, dark blue flower graphic is positioned in the top-left corner of the slide. It features several overlapping petals and a central stem with a small leaf.

HOW TO REACH US:

Email: communications@irvine.org

Website: <https://www.irvine.org/>

OSBA OPEN FUNDING AND GUIDANCE ANNOUNCEMENTS

- **California Dream Fund Program**: \$35 million one-time GF to support microgrants of up to \$10,000 to seed business start-ups by entrepreneurs from underserved small business groups who participate in intensive business start-up training programs.
 - RFP application period – November 2021 – Only SB TAEP recipients are eligible
 - Grant application and grant guidelines are not posted on the website
 - Performance Period – January 1, 2022 – December 31, 2022
- **Clean California Local Grant Program**: \$296 million one-time GF funding to local government entities and federally recognized tribal governments to beautify and improve local streets and roads, tribal lands, parks, pathways, and transit centers to clean and enhance public spaces.
 - RFP is open until February 1, 2022
 - Funds must be expended by June 30, 2024
 - Grant application and grant guidelines

FUTURE ROLLOUT OF GO-BIZ AND OSBA PROGRAMS

- **California Nonprofit Performing Arts Grant Program:**
 - \$50 million one-time GF for GO-Biz to provide grants under the California Nonprofit Performing Arts Grant Program.
 - RFP to select intermediary – Pending.
 - Intermediary is expected to begin performance (i.e., outreach, application, disbursement) by end of 2021 or early 2022.
- **California Competes Grant:**
 - \$120 million available to help expand CA businesses and attract new businesses to the state.
 - Application period starts January 3, 2022.
 - Applications are due by Monday, January 24, at 11:59 pm.
 - Online application can be accessed at www.calcompetes.ca.gov. [New guidelines posted.](#)

JUST CLOSED FUNDING ROUND

- **Grants to Microbusinesses**: \$50 million one-time GF for grants to local governments and nonprofits to provide direct relief to eligible microbusinesses.
 - Round 1 **RFP** was open until November 30, 2021. Grants are to eligible grantmaking entities to locally administer the program. Grants expected to be announced on December 22, 2021.
 - Round 2 RFP application period (if necessary) – November/December 2021.
 - Eligible grantmaking entities are expected to begin performance (i.e., outreach, application, disbursement) in early 2022. This may be sooner if all 58 counties/eligible grantmaking entities are selected in Round 1.
- **California Venues Grant Program**: \$150 million one-time GF for CalOSBA to provide financial relief to independent venues, live events businesses, and minor league sports.
 - Applications opened October 29 and closed on December 7, 2021.
- **Inclusive Innovation Hub**: \$2.5 million one-time GF to relaunch the California Innovation Hub program as the Inclusive Innovation Hub program (iHub2) to incentivize a focus on diversity, equity, and inclusion in the state's tech and science-based start-up ecosystem.
 - **RFP** was open until November 15, 2021.
 - Budgeted performance period – January 1, 2022 – December 31, 2022.
 - Total performance period is 5 years – January 1, 2022 – December 31, 2027.

JUST CLOSED FUNDING ROUND

- **Cannabis Equity Grants Program**: \$35 million one-time Prop 64 funding to local jurisdictions to advance economic justice for populations and communities impacted by cannabis prohibition and the War on Drugs
 - RFP was open until December 13, 2021.
 - Online application and grant guidelines.



\$4 BILLION SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM

Funding rounds closed —
applications still being processed

SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM

Funding Rounds	# of Awards	Amount of Awards
1	22,160	\$237,498,816.00
2	21,711	\$237,467,428.00
3	41,135	\$485,951,814.00
4**	1,556	\$21,453,743.00
5	66,700	\$728,998,654.00
6	59,500	\$728,861,367.00
7***	82,189	\$957,557,015.00
8**	174	\$2,140,000.00
9***	8,819	\$89,352,951.00
Total	303,944	\$3,489,281,788.00

**Rounds 4 and 8 were only open to nonprofit arts & cultural institutions.

***Awards are still ongoing and the # and \$ Amount of Awards will increase once all Awards are finalized for the Round.

SMALL BUSINESS COVID-19 RELIEF GRANT

Chart 1 - Summary of Selected Awardees by Industry (as of 12/2/2021)

	Percentage Highly Impacted Industry	Percentage Other Impacted Industry	Percentage Total-target Industry	Percentage NON-target Industry	Percentage For Profit	Percentage Nonprofit
Round 1	53.5	4.2	62.9	37.1	94.8	5.2
Round 2	45.9	4.3	52.7	47.3	97.5	2.5
Round 3	35.4	4.5	42.3	57.7	97.6	2.4
Round 5	23.0	4.0	28.9	71.1	98.1	1.9
Round 6	10.7	3.3	17.2	82.8	96.8	3.2
Round 7	16.7	2.8	19.5	80.5	98.5	1.5
Round 9	22.1	2.7	24.8	75.2	96.4	3.6
Average from all Rounds excluding 4 and 8	29.6	3.6	35.4	64.5	97.1	2.9

Source: <https://business.ca.gov/about/publications/>

SMALL BUSINESS COVID-19 RELIEF GRANT

Chart 2 - Summary of Selected Awardees Based on Self-identified Gender and Veteran Status (as of 12/2/2021)

	Percentage of Women	Percentage of Male or Decline to State Grantees	Percentage of Veterans
Round 1	53.0	47.0	1.5
Round 2	55.5	44.5	2.0
Round 3	55.5	44.5	2.7
Round 5	47.2	52.8	3.1
Round 6	43.8	56.2	3.3
Round 7	33.4	66.6	2.8
Round 9	35.0	65.0	2.9
Average from all Rounds excluding 4 and 8	46.2	53.8	2.6

Source: <https://business.ca.gov/about/publications/>

SMALL BUSINESS COVID-19 RELIEF GRANT

Chart 3 - Summary of Selected Awardees based on Self-Identified Race and Ethnicity (as of 12/2/2021)

	Percentage of White Grantees	Percentage of Black Grantees	Percentage of Asian Grantees	Percentage of Latino Grantees	Percentage of Native American Grantees	Percentage of Pacific-Islander Grantees
Round 1	45.1	6.2	32.4	16.0	2.0	2.1
Round 2	40.9	7.4	33.2	18.1	1.9	2.2
Round 3	34.0	7.4	38.1	19.7	2.2	2.7
Round 5	37.6	8.1	33.7	19.7	2.1	2.4
Round 6	41.4	6.5	33.2	17.8	1.9	2.5
Round 7	40.3	6.4	35.4	16.0	1.3	1.9
Round 9	34.1	9.2	32.3	20.5	1.3	1.5
Average from all Rounds excluding 4 and 8	39.0	7.3	34.0	18.2	1.8	2.1

Source: <https://business.ca.gov/about/publications/>

SMALL BUSINESS COVID-19 RELIEF GRANT

Chart 4 - Summary of Selected Awardees by Location (as of 12/2/2021)

	Percentage of Grantees Located in a Suburban or Urban Area	Percentage of Grantees Located in a Rural Area	Percentage of Grantees Located in a Low- or Moderate-Income Area	Percentage of Grantees Located in a High-Income Area
Round 1	88.1	11.9	76.7	23.3
Round 2	90.3	9.7	68.0	32.0
Round 3	90.8	9.2	67.1	32.9
Round 5	92.2	7.8	57.0	43.0
Round 6	93.5	6.5	58.7	41.3
Round 7	96.6	3.4	52.8	47.2
Round 9	97.4	2.6	47.6	52.4
Average from all Rounds excluding 4 and 8	92.7	7.3	61.1	38.8

Source: <https://business.ca.gov/about/publications/>



INFORMATION SHARING OF ECONOMIC RECOVERY PROPOSALS

Agenda Item V

FOCUS AREAS

- ☐ Policy Priorities for 2022
- ☐ Economic Recovery Proposals – Under Discussion
- ☐ Recommendations from Reports



SPEAKERS — AGENDA ITEM V

- Toni Symonds, JEDE Committee, will facilitate this discussion.
- Phil Vermuelin, with the Coalition of Small and Disabled Veteran Businesses and member of the DGS Small Business Advisory Council

Advocates are encouraged to share information on economic recovery proposals, as well as other federal and state priorities.

TRACKING NEW AND ONGOING ISSUES

- **Development of the 2022-23 State Budget**
- **Congestion at the Ports of LA and Long Beach**
- **Implementation of the State Small Business Credit Initiative – CA formula allocation \$895 million.**
- **Revisions to Federal Apprenticeship Programs**
- **American Jobs Plan – \$2 trillion in infrastructure, workforce, and small business procurement opportunities.**
- **House “Soft Infrastructure Plan” announced, which provides \$3.5 trillion (2,600 pages).**

CONGESTION AT THE PORTS OF LA AND LONG BEACH

The Challenge:

- In-coming freight volume is up, transportation disruptions/capacity can't meet demand, high volume of empty containers, lack of chassis, and warehouses are full.
- There are issues all along the supply chain.
- CA depends on imports to keep businesses operating, machines running, and communities functioning.
- There are health and safety, as well as business reasons for addressing the back-up at the ports.

Updates (December 15, 2021 from Port of LA) — Progress is Being Made:

- L.A. import volumes are on track to reach 5.5 million TEUs in 2021, topping prior record.
- 20.7 - average wait at anchor, remaining near its peak of 20.9 set in early December
- 102 cargo vessels currently or soon to be anchored in San Pedro Bay - up from 86 in mid-November
- Rail dwell time dropped to 2 days from 13.5 days over the summer
- Dwell time for containers moving by truck has been reduced to 6 days
- The number of days it takes a truck chassis and container to leave the port and return (Street dwell time) is at a high of 10 days
- Immediate attention is needed for 71,000 empty containers lingering on port property

- **February 2021** — President Biden signed E.O. 14017, directing a whole-of-government approach to assessing vulnerabilities in, and strengthening the resilience of, critical supply chains.
- **June 2021** — GO-Biz launched the [California Supply Chain Success Initiative](#), a partnership with the CA State Transportation Agency, the Port of Long Beach, and the CSU Long Beach Center for International Trade and Transportation.
- **June 2021** — Federal Supply Chain Task Force [releases 100 day reviews and recommendations](#) to address the short term disruption of the delivery of goods.
- **October 2021** — CA Governor Gavin Newsom signed an [executive order](#) that, among other actions, directed state agencies to identify additional ways to alleviate congestion at California ports. These actions are part of the ongoing efforts of the federal Task Force on Supply Chain Disruptions, which includes a [new strategic partnership](#) to help facilitate innovative projects and financing opportunities for multi-billion dollar infrastructure improvements in California.
- **November 2021** — The Asm and Senate Select Committees on Ports held an oversight hearing on the situation at the Ports of LA and Long Beach. [watch the hearing](#) — [background materials](#)
- **2021-22 Budget** — California's recently enacted budget includes \$250 million for ports, \$280 million for infrastructure projects at and around the Port of Oakland, and \$1.3 billion over three years for zero-emission trucks, transit buses, and school buses, including the deployment of more than 1,000 zero-emission port drayage trucks.

REVITALIZING SMALL AND LOCAL BUSINESSES ACT

Key Provisions

US Senators Alex Padilla (D-Calif.) and Roger Wicker (R-Miss.) introduced [S. 3340](#) - the Revitalizing Small and Local Businesses Act.

“This bipartisan legislation would create a new competitive grant program through the [EDA] for nonprofits, business districts, and main street organizations that provide tailored, on-the ground assistance to small businesses in both urban and rural communities.”

“The bill would authorize \$250 million for this program over the next five years... National nonprofits that apply for grants through the program would be required to work with locally-based nonprofit or public community and economic development partners.”

Full [Announcement](#)

Program: The Secretary shall establish a national program under which the Secretary shall award grants on a competitive basis to national nonprofit organizations to carry out place-based programs, in partnership with locally-based nonprofit or public community and economic development partners, to provide specialized technical assistance, capacity building, and related services that support small businesses and business district revitalization in low-income, rural, and minority communities.

Partnerships: In order to receive a grant, a national nonprofit organization shall demonstrate a track record of, and a strategy for, supporting local business district organizations or similar place-based business or economic development organizations and serving disadvantaged businesses or communities that are socially and economically disadvantaged, including rural communities.

Two Priorities: Applications that serve communities that are socially and economically disadvantaged, including rural communities; **and** that has the demonstrated capacity to serve multiple States, and multiple geographies within a state.



FUNDING AND PROGRAMS FOR THE 2022-23 BUDGET

LAO RELEASES ANNUAL FISCAL OUTLOOK

The Legislative Analyst's Office released its [2022-23 Fiscal Outlook](#).

- Revenues continue to grow with an estimated \$31 billion surplus (resources in excess of current law commitments) to allocate in 2022-23.
- There is an operating surplus which could allow for limited ongoing investments in the range from \$3 billion to \$8 billion over the next four budget years.
- LAO recommends making additional deposits, above constitutional requirements, into state reserve accounts.
- Inflation needs to be tracked as it creates multiple and different impacts on state revenues.

LAO notes that the “annual budget process provides the Legislature with an opportunity not only to allocate new funding, but also to assess the implementation of existing or recent spending.”

The [State Appropriations Limit](#) (SAL) will be a key budget issue. LAO estimates that roughly \$14 billion will need to be allocated in order to meet the constitutional requirements under SAL across 2020-21 and 2021-22.

- Options include: (1) lower tax revenues; (2) split the excess revenues between additional school and community college district spending and taxpayer rebates; or (3) appropriate more money for purposes excluded from the SAL. These exclusions include: subventions to local governments, capital outlay projects, debt service, federal and court mandates, and certain kinds of emergency spending.
- The LAO projects \$12 billion in additional SAL requirements in 2022-23 – although there is “significant uncertainty” in this estimate, at this time.
- LAO recommends taking actions to meet the 2020-21 and 2021-22 SAL requirements in [early 2022](#).

LEGISLATIVE PRIORITIES

Assembly Budget Blueprint — Released by Asm Budget

- State must ensure bold 2021 investments are accomplished.
- Assembly Plan will address Gann Limit.
- Recommended actions include:
 - Providing better information on where state dollars have been invested.
 - Promoting the creation of living wage jobs from state investments.
 - Attracting new workers to health care, education, and child care occupations.
 - Creating second chances for formerly-incarcerated Californians.
 - Leveraging federal infrastructure investments:
 - \$10 billion for school facilities and additional investments for university and community college facilities.
 - \$10 billion for transportation projects statewide, including transit infrastructure.

Senate Budget Plan: Key Values — Released by Sen Budget

- Sustain Progress:
 - Pay down state debts and retirement liabilities and utilize one-time funds for needed one-time/short-term purposes.
 - Expand oversight and accountability and maintain existing expenditure priorities that promote equity.
- Strengthen Equity while meeting Gann Requirements:
 - Maximize infrastructure investments, including for schools and higher education.
 - Build on enacted targeted tax relief programs that benefit California families, such as the CalEITC, Child Tax Credit, and Small Business Relief.
- Build a More Equitable Economy:
 - Support Getting Back to Work: Childcare, Small Businesses, and Essential Workforce.
 - Boost 21st Century Infrastructure: Including Transportation, Education, Broadband, and Climate/Disaster Resiliency.
 - Close Learning Gap and Protect Local School Budgets.
 - Sustain California: Enhance Climate, Environment, and Resource Protection; Strengthen Wildfire Mitigation and Response.

FISCAL RESPONSIBILITY — TOP PRIORITY

Oversight of 2021-22 budget will be a core part of the Legislature's 2022 activities.

Below are several documents to help everyone understand what is actually in the 2021-22 budget:

- [The LAO Spending Plan series](#)
- The Assembly Budget Committee Summary — [“The Floor Report”](#)
- The Senate Budget Committee Summary — [“Final Action Report — A Summary of the 2021 Budget Act”](#)



BUDGET CHECK LIST OF ISSUES FOR 2022-23

- **Tracking and Monitoring of Programs Funded in 2020-21 and 2021-22:** Focus on equity.
- **Extension of SB TAEP:** The program sunsets January 1, 2024.
- **Commercial Rent Relief for Small Businesses:** Provisions included in AB 1147 (Cervantes), which is pending in Assembly Revenue and Taxation Committee.
- **Pipeline of Small Businesses Ready for Capital:** Technical assistance funding is needed **to** create a pipeline of small businesses who are ready to access capital programs funded through SSBCI.
- **\$2 Billion Unemployment Insurance Mitigation for Small Businesses:** Budget discussions included \$2 billion of tax relief over a ten-year period for small businesses to mitigate impacts of Unemployment Insurance repayments, beginning in 2023. This proposal was intended to replace the Governor's \$1.1 billion proposal.
- **CDFI Grants:** \$70 million one-time GF to establish a grant program for community development financial institutions (CDFIs) pending future legislation. (**Funding amended out of initial Budget Bill**)



STATE SMALL BUSINESS CREDIT INITIATIVE

December Deadline

STATE SMALL BUSINESS CREDIT INITIATIVE

- The [American Rescue Plan Act](#) of 2021 (ARPA) included \$10 billion for the reauthorization of the State Small Business Credit Initiative (SSBCI), which was initially created through the [Small Business Jobs Act of 2010](#), to strengthen state programs that support financing of small businesses. [Fact Sheet](#) (updated 10/25)
- SSBCI will make both competitively awarded funds and allocations based on formulas.
- \$6.5 billion for small business capital programs. CA's [formula allocation](#) is \$894.9 million. [Initial application was due December 11, 2021, and the final application is due February 11, 2022.](#)
- \$1.5 billion in ARPA funds to be competitively bid by state governments for programs targeted to [serve socially and economically disadvantaged individuals](#) using a very similar formula as in the \$6.5 billion allocation.
- \$1 billion is available as [an incentive](#) for states who do well in serving the needs of businesses owned and controlled by socially and economically disadvantaged individuals. Provided in tranches II and III.
- \$500 million targeted to [very small businesses](#) (under 10 employees) using the same formula as in the \$6.5 billion allocation, including independent contractors and sole proprietors.
- \$500 million to implement state small business technical assistance plans. [Application due March 31, 2022.](#)
- SSBCI funds allocated to state governments can be deployed to assist businesses [located on tribal lands](#).
- The US Treasury issued [guidelines](#) on November 10, 2021.

SSBCI CURRENT TIMELINE

- April 9, 2021 – US Treasury announced state formula allocations.
- May 10, 2021 – US Treasury announced Tribal government allocations.
- May 13, 2021 – US Treasury hosted an information session for Tribal governments.
- May 27, 2021 – Tribal consultation session held on SSBCI program requirements.
- December 11, 2021 – Initial applications to the US Treasury were due.
- February 11, 2022 – Completed applications to the US Treasury are due.
- March 31, 2022 – Applications for grants to fund small business technical assistance activities are due.

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

State webinar regarding how California proposes to use the federal funds: <https://www.youtube.com/watch?v=rORH08Riqmg>

HOW THE FORMULA FUNDING WORKS

- An initial Application is due by December 11, 2021.
- Each state/tribal government has a maximum formula allocation, which can be drawn down in three tranches.
- Money in the first tranche will be transferred within 90 days of the program agreement going into effect.
- Receiving the second and third tranches of funding is dependent on the expenditure or obligation of 80% of current tranche of funding. Access to funds terminates if second tranche is not transferred within 3 years or within 6 years for the third tranche. All disbursements must be made before September 30, 2030.
- SSBCI funds can be used to capitalize small business financing programs, including, but not limited to, portfolio insurance, loan guarantees, loan-loss reserves, collateral support programs, and equity funds.
- Administrative costs are limited to 3%, available one-third at a time.
- Leverage Mandates:
 - Based on a per SSBCI funded program basis, each \$1 of SSBCI public investment must result in \$1 of new private credit.
 - Based on an all funded program basis, SSBCI public investments will cause new small business lending to increase at least 10 times the SSBCI contributed amount.
 - These leverage requirements make using the SSBCI funds for grants to small businesses very unlikely.

WHO MUST THE SMALL BUSINESS PROGRAMS SERVE?

States may use SSBCI funds to support eligible small business financing in their state, including on tribal lands. Tribal governments may use funds on tribal lands or where tribal members are located, and for small businesses owned by tribal members anywhere within the United States.

To be clear — State government SSBCI program funds can be deployed in Indian Country to support Native American businesses.

Eligible SSBCI funded programs should provide credit support that meets all of the following requirements:

- Targets an average borrower size of 500 employees or less
- Does not extend support to borrowers that have more than 750 employees
- Targets support towards loans with an average principal amount of \$5 million or less
- Does not extend credit support to loans that exceed a principal amount of \$20 million

UNDERSERVED COMMUNITIES

Federal law requires each application for CAP funds to include a report detailing how SSBCI funds will provide access to capital for small business in underserved communities.

Further, the SSBCI statute mandates that the US Treasury Secretary consider the same eligibility criteria for OCSPs.

“Socially and economically disadvantaged individual” means an individual who is a socially disadvantaged individual or an economically disadvantaged individual, as defined in the Small Business Act.

“Underserved communities” mean small businesses located in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses.

“Treasury encourages states to consider the following areas when including plans regarding ‘other underserved communities’ in their report: rural communities; communities undergoing economic transitions, including communities impacted by the shift towards a net-zero economy or deindustrialization; and communities surrounding Minority-Serving Institutions.” SSBCI Guidelines

DETERMINING SSBCI FUNDING PRIORITIES

- At the end of the day, who does CA want to have helped with these small business funds?
- Based on the opportunities and challenges, what are the state's priority capital issues?
- Based on available funding, what is the desired balance between funding for business start-ups, business expansions, certain industry sectors, and microbusinesses?
- Should CA administer all their own programs or partner with other states, regional collaboratives, or financial organizations?
- What is the full list of CA financial lending programs? Who are they currently serving and what is their capacity to expand?
- What other public and/or private programs can be aligned with implementation of SSBCI funded programs?
- Where is the TA funding to assist businesses in applying? Where is the funding for pre-loan and post-loan TA?
- Which programs are best suited for tranche one, two, and three funding?

HOW DID CA USE ITS FIRST ROUND OF SSBCI FUNDING?

- CA received \$168.4 million out of \$1.5 billion. Overall, CA leverage these funds on a \$7-to-\$1 ratio.
- No real plan – money was expended through the state’s two existing programs until deadlines necessitated the development of the new program – Collateral Support Program.
 - Small Business Loan Guarantee Program (\$85 million)
 - CA Capital Access Program (\$20 million)
 - Collateral Support Program (\$65 million)
- Second round funding to CA could be as high as \$1.5 billion and there is a requirement for a \$10-to-\$1 leverage ratio.
- The second round of funding provides an opportunity for the state to undertake a real analysis of the state’s small business capital needs and then develop a comprehensive strategy to cultivate a successful pipeline of capital-ready small businesses.
- IBank is holding outreach events. Send recommendations to SSBCI@IBank.ca.gov

BEST PRACTICES AND LESSONS FROM 2011-2017

1. Recycle capital as quickly as possible
2. Manage risk to minimize loss
3. Maximize capital availability
4. Market the program effectively to generate deal flow and fee income
5. Implement a flexible program design that is capable of adapting to changing lender and business needs
6. Design programs in a manner that leverages outside funding resources
7. Build and maintain stakeholder support

Resource Link: <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/technical-assistance-and-best-practices>



CLOSING THOUGHTS

Links to Useful Information



Supporting SMALL
strengthens us ALL:
#ShopSafeShopLocal

CALIFORNIA LAUNCHES DEDICATED SMALL BUSINESS PORTAL

California's Office of the Small Business Advocate (CalOSBA), part of the Governor's Office of Business and Economic Development (GO-Biz), launched calosba.ca.gov – a website that connects California's small business community with critical resources available through a state-funded small business technical assistance program and other state resources.

Small business owners, entrepreneurs, and startups can access the following information:

- Small business technical assistance centers that offer specialized support for no-cost or at a low-cost
- Financing information including state and federal capital programs and tax/credit incentive programs
- Business Learning Center that helps business owners navigate the varying stages of the business development process
- Permits, licenses, regulations, information, support, and resources
- Access to new markets, including e-commerce, international trade, and procurement and supply chain programs

For more information, visit calosba.ca.gov.

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's 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
- 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
- Submit questions regarding the Opportunity Zones and Promise Zones: 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>
- Inclusive Economic Recovery Roundtables: <https://ajed.assembly.ca.gov/content/small-business-roundtables>

Contact JEDE: 916-319-2090 or toni.symonds@asm.ca.gov or benjamin.warheit@asm.ca.gov