



SMALL BUSINESS ROUNDTABLE

FEBRUARY 18, 2021 CONVENING

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



WELCOME AND OVERVIEW

Agenda Item I

AGENDA

- I. Welcome and Overview
- II. Economic Data and the Blueprint for Recovery
- III. Updates on Economic Recovery Programs and Initiatives
- IV. 2021 Federal and State Public Policy Issues
- VI. Final Comments and Adjournment

NEW PEOPLE JOINING THE CONVERSATION

- If this is your first JEDE Small Business Roundtable, please raise your hand so we can all meet you.
- Thank you in advance for joining us today.

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>



JEDE INFORMATIONAL HEARING ON FEB 23 AT 9:30 AM

The Impact of the COVID-19 Pandemic on California Small Businesses

- I. Welcome, Introductions, and Opening Statements
- II. Overview of the Economic Impact of COVID-19 on California Small Businesses
- III. Meeting the Needs of Small Businesses Through a Grant Program
- IV. Program Innovations to Support the Economic Recovery of Small Businesses
- V. **Public Comment**
- VI. Closing Remarks

Featuring: Dr. Robert Fairlie with US Santa Cruz; GO-Biz (*invited*); James Watson with CMTC; California Community College Contract Education Collaborative (*invited*), and Small Business Majority (*invited*).



ECONOMIC DATA AND THE BLUEPRINT FOR RECOVERY

Agenda Item II

DATA POINTS

FEDERAL Unemployment – 6.3% (January 2020)

- ❖ US nonfarm payroll employment increased by 49,000 in January 2021, and the unemployment rate fell to 6.3% with 10.1 million people unemployed.
- ❖ Notable job gains occurred over the month in transportation and warehousing, professional and business services, and health care industry sectors.
- ❖ The January 2021 unemployment rates: Teenagers 14.8%, Blacks 9.2%, Hispanics 8.6%, Asians 6.6%, Whites 5.7%.
- ❖ The labor force participation rate was 61.4%, unchanged from the prior month.
- ❖ The number of persons not in the labor force who currently want a job, at 7.0 million.

CALIFORNIA Unemployment – 9.0% (December 2020)

- ❖ Total nonfarm employment in CA for December 2020 was 17.2 million, reflecting an increase of 92,000 jobs from the prior month.
- ❖ CA reported over 1.7 million unemployed individuals for the month of December 2020. Labor participation rate of 60.6% - down 1.9% from the prior year.
- ❖ Between March and April 2020, CA lost 2.6 million jobs.
- ❖ 10.7 million initial UI and PAU claims were filed between March 14, 2020, and week of Jan 30, 2021.
- ❖ \$118 billion paid to out of work Californians since start of pandemic.
- ❖ The number of persons who worked part time involuntarily, also called “for economic reasons” increased by 408,000 (61.1%) since December 2019.



UPDATES ON ECONOMIC RECOVERY PROGRAMS AND INITIATIVES

Agenda Item III



FOCUS AREAS

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

WHAT ARE SOME KEY RECOVERY CHALLENGES?

- ❑ 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.
- ❑ Guidance on business operations continues to evolve making it difficult to identify, understand, and implement. Small businesses are concerned about COVID-19-associated legal liability.
- ❑ State contracting opportunities remain limited and with traditional procurement outreach methods on hold, small businesses are finding it difficult to meet prime contractors who may be bidding on state contracts. It is not clear as to all the factors resulting in small businesses and DVBES being excluded from this important source of revenue.
- ❑ COVID-19 is creating many new business operation challenges, including accessing PPE, testing kits for employees, local broadband capacity, and additional costs of operation during the pandemic.
- ❑ COVID-19 is amplifying old business operation challenges, including local broadband capacity, access to capital, and the cost of meeting regulations.
- ❑ Small businesses need grants, even low-interest loans are not sufficient. Eligible entrepreneurs face major hurdles in accessing Pandemic Unemployment Insurance, which has lagged behind traditional UI payments.

SPEAKERS — AGENDA ITEM III

- ❑ Toni Symonds, JEDE Committee, will facilitate our discussion
- ❑ Kristine Johnston with the [Northern California SBDC Lead Center](#)
- ❑ Sean Varner and David Beier with the [Little Hoover Commission](#)
- ❑ Lorrie Aiello with [CMTC](#)
- ❑ Jai Sharma with the Silicon Valley Consulting Group
- ❑ Bianca Blomquist with [Small Business Majority](#)
- ❑ Next month - Nicole Rice with CMTA on their letter regarding COVID-19 Emergency Temporary Standard

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



Supporting SMALL
strengthens us ALL:
#ShopSafeShopLocal

<https://business.ca.gov/shopsafeshoplocal/calosba-media-toolkit/>

- What organizations are hosting or promoting Holiday Gift Guides for Easter or Other Spring Holidays?



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

CALIFORNIA MUST ACT NOW TO BETTER SUPPORT JOB TRAINING AND RESKILLING FOR WORKERS IMPACTED BY THE PANDEMIC, **LITTLE HOOVER COMMISSION** SAYS

In order to address the jobs facing crisis facing California and provide workers with pathways to employment and to goods jobs, the Commission recommends state government build on its recent work to strengthen workforce development and career education and encourage training partnerships that feature high levels of coordination between trainers and employers, as well as guidance and support for trainees.

<https://lhc.ca.gov/report/first-steps-toward-recovery-job-training-and-reskilling>

SB AND DVBE PROCUREMENT OUTREACH (CONTINUED)

Jai Sharma with the Silicon Valley Consulting Group led a roundtable collaboration that produced a set of 3 recommendations relating to small business and DVBE participation in state procurement.

jsharma@svcgcorp.com

- Recommendation # 1— Increase pre-bid prime engagement with new SB and DVBE partners. Bart is mandating online speed dating.
- Recommendation # 2 – Expand state outreach activities to include industry-specific events.
- Recommendation # 3 – Host online meet and greets between state agencies and groups of small business vendors. Establish a State Mentor/Protégé program, similar to the Feds.

□ **Collaborators:** Bianca Blomquist, Small Business Majority; Tracy Stanoff, American Indian Chamber of Commerce, ADP Pro Web; Trish Funk & Nancy Swift, Women's Business Center at JEDI, e-jedi.org; Yolanda Benson, Government Relations, Team GSI; Charlotta Carter, GRI Tech Solutions; Shaila Mistry, NAWBO-CA, STEM Institute, Jayco MMI; Mack Ross, Black Chamber of Commerce; Frank Louie, CalAsian Chamber of Commerce; Phil Vermeulen, Coalition of Small & Disabled Veteran Businesses, pvgov.com; Lori Kammerer, Small Business California, NAWBO-CA & the CA Metals Coalition, Kammerer & Company, Inc.; Heidi Pickman, CAMEO Network; and Jai Sharma, Silicon Valley Consulting Group (*Organizer & Facilitator*)

SB AND DVBE PROCUREMENT OUTREACH (FINAL)

CALTRANS Small Business Outreach Program:

- **Senate Bill 1** (Beall, Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, invests \$54 billion over 10 years. In deploying these funds, Caltrans is required to develop an outreach plan by January 1, 2019, to increase procurement opportunities for **new and limited contracting small business**, including certain disadvantaged groups. [Government Code Section 14110.1]
- Among other activities, Caltrans is required to introduce new and limited contracting small business enterprises **to prime contractors by organizing business matchmaking events and activities; contract-specific outreach events.**

Definitions

Limited contracting small business enterprise: A certified small business, as defined in Section 14837, that has received fewer than five public contracts from the department in the previous two years or has received public contracts from the department totaling less than two hundred fifty thousand dollars (\$250,000) in the previous two years.

New small business enterprise: A certified small business, as defined in Section 14837, that has not received a public contract from the department in the previous two years.

TRACKING IMPLEMENTATION OF STATE SMALL BUSINESS RESOURCES

- ❑ \$500 million Small Business Grant Program. Qualifying small businesses and nonprofits can receive awards of up to \$25,000. <https://business.ca.gov/osba-signup/> \$575 million proposed in January Budget - \$2.1 billion provided in Early Action Budget Agreement
- ❑ \$100 million Main Street Tax Credit <https://www.ftb.ca.gov/file/business/credits/small-business-hiring-credit.html> \$100 million proposed in Jan Budget
- ❑ \$100 million new capitalization for the Small Business Disaster Loan Guarantee Program. <https://www.ibank.ca.gov/small-business/disaster-relief/> \$50 million proposed in Jan Budget
- ❑ 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

SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM

- \$500 million for small businesses and nonprofits
- Two rounds of funding (\$237.5 million each) have been completed for a total of \$475 million
- Announcements of grant decisions in the second round were completed February 18
- 334,000 applications for a total of \$4.4 billion were received during Round 1.
- All applications from eligible businesses and nonprofits that were not funded in Round 1 were automatically reconsidered in Round 2.
- Round 2 closed on February 8 and awardees are being notified February 11 – 18, 2021.
- Assemblymember Cervantes – Chair of JEDE – requested additional information on the applications and the awards, including race/ethnicity, gender, and geography (*data provided by the Governor's Office appears on next page*)
- Legislature will vote on Friday and Monday on a \$2.1 billion (\$575 million previously proposed)

In Round 1 - 21,0667 grants were awarded.

Table 2: Underserved Small Businesses Awarded CA Relief Grant Round 1

	Number of Awardees	% of Total Selected in Round 1	Amount Awarded	% of Total Amount Awarded in Round 1
<i>Underserved Small Businesses</i>	16,240	77.1%	\$174,746,860	74.0%
Minority	11,210	53.2%	\$116,987,000	49.5%
Women	10,312	48.9%	\$105,249,000	44.5%
Rural	2,998	14.2%	\$33,668,772	14.2%
Low-to Moderate Income (LMI) Tract	12,292	58.3%	\$134,503,000	56.9%
Veteran	519	2.5%	\$7,150,200	3.0%
*Please note that applicants can fit into more than one category above				

Table 3: Highly Impacted Industries Awarded CA Relief Grant Round 1

	Number of Awardees	% of Total Selected in Round 1	Amount Awarded	% of Total Amount Awarded in Round 1
<i>Highly Impacted Industries</i>	12,878	61.1%	\$147,932,429	62.6%
Personal Care	5,651	26.8%	\$49,303,826	20.9%
Restaurant and Other Eating Places	2,089	9.9%	\$36,827,533	15.6%
Child Daycare Services	670	3.2%	\$6,078,996	2.6%
Clothing Stores	653	3.1%	\$7,801,566	3.3%
Specialty Food	442	2.1%	\$5,765,500	2.4%
Other Highly Impacted industries	3,373	16.0%	42,155,008	17.8%

PROGRAMS APPROVED IN 2019 - STILL BEING DEVELOPED

- Climate Catalyst Revolving Loan Program at the IBank.
 - Funding will be provided through non-state governmental entities and private sources.
 - The Strategic Growth Council will advise the Legislature on categories to fund, and a report on the projects funded will be annually presented to the Legislature.
 - Governor is requesting \$97 million in the 2021-22 budget to support forest resilience (\$47 million) and agriculture-specific projects (\$50 million)
- Are there other programs we should be tracking that are under development?

GROUP SOURCE RESPONSE REQUESTED AND ANSWERED

Does anyone know of lenders doing PPP loans to new borrowers?

- California Hispanic Chamber of Commerce, in partnership with Prestamos CDFI, launched a new statewide initiative to help all small businesses access PPP loans. <https://www.prestamosloans.org/cahcc-ppp/#top>



List from SBA
District Office –
OCIE

American Lending Center*
Ampac Tri State CDC**
BSD Capital LLC dba Lendistry
Bourns Employees Federal Credit Union ***
California International Bank
Cathay Bank
CenterStone SBA Lending, Inc.
CommerceWest Bank
Community Commerce Bank
GBC International Bank
Harvest Small Business Finance, LLC
Inland Valley Federal Credit Union ***
Neighborhood National Bank
Southwestern National Bank
SunWest Bank
Tustin Community Bank
United Business Bank
US Metro Bank



2021 FEDERAL AND STATE PUBLIC POLICY ISSUES

Agenda Item IV

FOCUS AREAS

- ❑ Public Policy Priorities for 2021
- ❑ Economic Recovery Proposals Not Yet Approved
- ❑ Recommendations from Reports

Photo by Ivan Bertolazzi from Pexels



SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds, JEDE Committee, will facilitate this discussion.
- ❑ Phil Vermeulen with the Coalition of Small and Disabled Veteran Businesses
- ❑ Tracy Stanhoff with the American Indian Chamber of Commerce of CA
- ❑ Alicia Lewis on behalf of the Worker-Owned Recovery CA (WORC) Coalition

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

- Federal Stimulus Bills: \$900 million COVID Relief Act and \$1.4 billion Omnibus Appropriation's Act - Signed December 2020
- Governor's Proposed State Budget for 2021-22 – Introduced January 2021
- Business Recovery Proposal (*180 signatures from business organizations*) – Submitted January 2021
- Biden American Rescue Plan – Announced January 2021
- California Immediate Action Agreement for Relief to Californians Experiencing Pandemic Hardship – Announced February 17, 2021
- Biden Build Back Better Recovery Plan – Being announced **February 2021**
- Closure of the MBDA Centers throughout the US - officially ends June 30, 2021. All centers will be allowed 120 days to close out the award until October 31, 2021
- Congestion at the California Ports and Impact on the Supply Chain

Are you tracking other issues?

WORC

Worker-Owned
Recovery California



Worker-Owned Recovery California

The WORC Coalition was formed by state and national experts, worker-owned companies, and labor unions that have been working for years to advance worker ownership in communities most impacted by social and economic inequities. Employees becoming owners creates opportunities for wealth-building and community stability, and can help California to not just survive COVID-19, but to create a more inclusive and equitable economy moving forward.

Types of Worker-Owned Businesses

There are more than 7,000 employee-owned companies across the U.S., with an estimated 100 Worker Cooperatives and 800 Employee Stock Ownership Plans (ESOPs) in California. These are businesses that span an array of industries, including retail, engineering, manufacturing, child care, administrative or professional services and home care:

Worker Cooperatives

- Adams and Chittenden Scientific Glass | Berkeley, 8 employees in manufacturing
- Alvarado Street Bakery | Petaluma, 83 employees in food and beverage
- Beyond Care Childcare Coop | Brooklyn, NY, 40 worker owners in child care
- California Solar Electric Co-op | Grass Valley, 30 worker owners in solar
- Community Printers | Santa Cruz, 23 employees in printing
- Cooperative Home Care Associates | Bronx, NY, 1,100 worker owners in health care, in partnership with SEIU
- Courage LLC | Los Angeles, home health, in partnership with the Filipino Worker
- CenterEcho Adventures Coop | Groveland, 5 employees in recreation
- Restif Cleaning | Samoa, 32 employees in cleaning

Employee Stock Ownership Plans

- Delta Pipeline Inc. | Long Beach, 68 employees in construction
- Holiday Market | Cottonwood, 1,000+ employee-owned grocery chain
- Modern Times Beer | San Diego, employee owned craft brewer
- Mountain Hardware and Sports | Truckee, employee owned retailer
- Pavement Recycling Systems | Jurupa Valley, employee-owned pavement and road-building contractor
- Recology | San Francisco, 3,800 employees in waste management



Impact

Numerous studies demonstrate the benefits of worker ownership, which include:

- Quality jobs with higher pay, better benefits, flexible schedules and a voice in the workplace (DAWI 2019)
- Asset Building through profit sharing and retirement savings (DAWI 2019 and NCEO 2015)
Fewer layoffs: 3-4 times more likely to retain staff during the COVID-19 crisis (Employee Ownership Foundation / Rutgers 2020)
- Government savings: lower job losses among employee-owners saved the federal government approximately \$17 billion in 2014, and \$37 billion in 2010, a recession year (NCEO 2015)
- These and other benefits are summarized, and dozens of studies cited, in The Case for Employee Ownership: why philanthropy and government should invest in this powerful business model (Project Equity 2020).

Time is Right for Statewide Action!

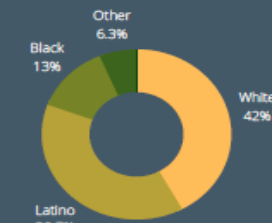
GOOD FOR THE BUSINESS, GOOD FOR THE BUSINESS OWNER
AND GOOD FOR THE COMMUNITY.

Local jurisdictions with existing worker ownership initiatives include: Berkeley, Fremont, Long Beach, Los Angeles (city and county), Richmond, San Francisco, and Santa Clara. Others have passed resolutions in support of worker ownership: Oakland, Santa Ana and Santa Cruz.

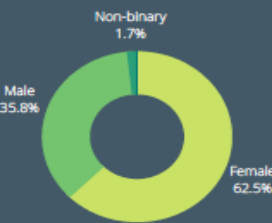
Cities outside of California that have supported worker ownership include: Austin, TX; Boston, MA; Durham, NC; Madison, WI; Miami, FL; Minneapolis, MN; New York, NY; Newark, NJ; Philadelphia, PA; and Pittsburgh, PA.

Demographics of Worker Cooperatives

Race



Gender



Other states have already taken action to support worker ownership, so WORC urges California, our home state, to demonstrate its commitment to equitable economic development too.

- Iowa and Missouri reimburse 50% of the cost of an employee ownership feasibility study, as well as a 50% reduction in state income taxes on the gain from the sale of stock to an ESOP.
- Vermont provides annual funding for the Vermont Employee Ownership Center.
- Colorado has formed an Employee Ownership Office within the Colorado Office of Economic Development and International Trade. Governor Polis had previously launched a Commission on Employee Ownership. The Employee Ownership Office offers consulting on transitions to employee ownership, an employee ownership certification for companies that are at least 20% employee-owned, a loan of up to \$10,000 to assist in transitioning, and a grant of \$3,000 for transitions.
- Massachusetts educates business owners through a state-funded employee ownership center

Follow us on Twitter!
[@worker_owned](https://twitter.com/worker_owned)

For more information about
the WORC Coalition
and worker-ownership
please contact Justin Rausa.

Justin@everydayimpactconsulting.com

IMMEDIATE ACTION AGREEMENT FOR RELIEF TO CALIFORNIANS EXPERIENCING PANDEMIC HARDSHIP (CONTINUED)

- \$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).
- \$2 billion tax cut by conforming 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.
- \$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.
- \$400 million in new federal funds that will provide stipends of \$525 per enrolled child for all state-subsidized child care and preschool providers.
- Extends care for children of essential workers through June of 2022, and funds increased access to subsidized child care for more than 8,000 children of essential workers and at-risk children – who are not currently served in the system – through June of 2022.
- \$2.3 billion to provide a one-time \$600 grant to households receiving the California EITC for 2020

IMMEDIATE ACTION AGREEMENT FOR RELIEF TO CALIFORNIANS EXPERIENCING PANDEMIC HARDSHIP (FINAL)

- \$470 million to provide an additional one-time \$600 payment for individuals with Individual Tax Identification Numbers (ITINs), which were not able to received pervious federal economic impact grants.
- \$243 million to provide an additional \$600 grant for families enrolled in CalWORKs.
- \$240 million to expand eligibility for CalWORKs by exempting the supplemental federal Unemployment Insurance benefits from income calculations.
- \$750 million to provide an additional \$600 grant for individuals enrolled in Supplemental Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI).
- \$24 million for financial assistance and services through Housing for the Harvest — a program providing support for agricultural workers who have to quarantine due to COVID-19.
- \$35 million for food banks and diapers.
- \$100 million for emergency financial aid for qualifying low-income students.
- Restores previously enacted reductions, effective July 1st, for the UC, CSU, the Judicial Branch, Child Support Services and for moderate-income housing.

BIDEN AMERICAN RESCUE PLAN

\$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 previous 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

GOVERNOR'S PROPOSED BUDGET FOR 2021-22 (CONTINUED)

This is a \$227.2 billion spending plan (\$164.5 billion General Fund), including significant investments intended to catalyze an equitable, inclusive and broad-based economic recovery. Top level investments include:

- \$14.5 billion in investments designed to support economic recovery with a focus on those Californians who have been most impacted by the pandemic.
- \$90 billion to support California schools – largest commitment to public K-12 education in California's history.
- \$34 billion in actions to strengthen the state's fiscal position, including providing for budget reserves and discretionary surplus deposits.
- Reflects \$16 billion of the estimated budget surplus moneys

GOVERNOR'S PROPOSED BUDGET FOR 2021-22 (CONTINUED)

Governor called on the Legislature to take immediate action on: **Being Votes on Friday and Monday**

- **\$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 billion** to support and accelerate safe returns to in-person instruction starting in February.
- **\$575 million** for the Small Business COVID-19 Relief Grant program, which provides grants to small-businesses and nonprofits disproportionately impacted by the pandemic. Included within the Governor's \$4.5 billion Equitable Recovery for California's Businesses and Jobs plan, which includes \$777.5 million California Jobs Initiative.
- **\$70.6 million** to provide immediate and targeted fee relief for small businesses including personal services and restaurants. Funding for this fee relief is included within the Governor's \$4.5 billion Equitable Recovery for California's Businesses and Jobs plan.

GOVERNOR'S PROPOSED BUDGET FOR 2021-22 (CONTINUED)

\$777.5 million for a **California Jobs Initiative**, which focuses on job creation and retention, regional development, small businesses and climate innovation. This includes:

- \$340 million for the California Competes Tax Credit, including a new infrastructure grant and increases the annual allocation cap from \$180 million per year to \$280 million per year.
- \$250 million grant program that dedicates \$50 million to “high-need, high-opportunity areas of the state.”
- \$100 million to expand the Main Street Small Business Tax Credit from \$100 million to \$200 million.
- \$35 million to expand the California Dream Fund, which was authorized and appropriated \$10 million as part of the 20-21 budget deal.
- \$50 million to recapitalize the Small Business Loan Guarantee programs at the IBank.
- \$50 million to the California Infrastructure and Economic Development Bank to undertake activities that benefit underserved businesses in California. This may include the California Rebuilding Fund
- \$100 million to expand the sales tax exclusion program administered by the California Alternative Energy and Advanced Transportation Financing Authority.

GOVERNOR'S PROPOSED BUDGET FOR 2021-22 (FINAL)

- \$575 million for the Small Business COVID-19 Relief Grant program, which provides grants to small-businesses and nonprofits disproportionately impacted by the pandemic. This would more than double the \$500 million allocated by the Governor in consultation with the Legislature on November 30, 2020. **Proposed for early action.**
- \$500 million to the Infill Infrastructure Grant Program to fund the development of 7,500 new permanently affordable homes. These funds will help defray the costs of sewers, roads and site preparation, while also supporting construction jobs. \$250 million of these funds are proposed for early action.
- \$385 million for targeted investments to build a more sustainable agricultural industry.
- \$300 million one-time General Fund for deferred maintenance of state properties, including the greening of state properties and instillation of electric vehicle charging stations at state-owned facilities.
- \$70.6 million for fee waivers for businesses and individuals impacted by the pandemic, including barbers, cosmetologists, manicurists, bars and restaurants.

ECONOMIC RECOVERY PROPOSAL LETTER SENT BY 180+ BUSINESS ASC

- Immediate 6 month suspension of certain laws and regulations to reduce regulatory burdens on employers. Provide businesses a reasonable grace period to implement updated guidance and regulations
- Temporary delay the next installment of property taxes that are due in April 2021 to allow employers time to reopen and earn income/revenue
- Expand eligibility under the Small Business Grant Program to include slightly larger size employers and increase maximum grant amounts
- Develop an immediate financial reimbursement or quarterly tax offset for employers who are investing in state-mandated COVID-19 upgrades for their workspaces
- • Allow employers to utilize Net Operating Losses (NOLs) and Tax Credits this year
- Eliminate regulatory disincentives for telecommuting, such as laws that limit flexible work schedules
- Relieve employers of abusive lawsuits under the Labor Code Private Attorney General Act (PAGA)
- Use part of the one-time budget windfall to pay down the state's outstanding Unemployment Insurance loan from the federal government

<https://calchamberalert.com/2021/01/15/allies-join-calchamber-call-for-covid-business-relief/>

ONGOING PROJECTS

- ❑ Coalition of Small and Disabled Veteran Businesses is working on a micro-enterprise designation for public works projects AND update to workforce credit of the Target Area Procurement Preference. Phil@pvgov.com
- ❑ CAMEO has a preliminary proposal to reallocate unused small business funds. pickman@cameonetwork.org
- ❑ JEDE is initiating a work group on longer term certifications and their role in the state's economic recovery and building back better. Toni.Symonds@asm.ca.gov
- ❑ JEDE, in partnership with CAMEO and Small Business Majority, is facilitating What is Going On Workshops Toni.Symonds@asm.ca.gov

WHAT IS GOING ON WORKSHOPS

The WGO Workshops are providing a the foundation for a roadmap to aid public and private stakeholder groups in identifying major public and private proposals and understanding methods for follow-up.

Status Report: JEDE has completed summaries of each workshop (see below) and is in the process of compiling an Excel document that identifies findings and recommendations

Next Step: Identify key themes and areas of agreement

Kick-Off - Three Rounds of Discussion on December 15, 2020

- **Access to Capital** – facilitated by Heidi Pickman with CAMEO ([preliminary summary](#))
- **Workforce and Quality Jobs** – facilitated by Toni Symonds with JEDE ([preliminary summary](#))
- **Technical Assistance** – facilitated by Tracy Stanhoff with the American Indian Chamber of Commerce of CA ([preliminary summary](#))
- **Other Key Collaborators** – Bianca Blomquist with Small Business Majority and Mauricio Aguilar with JEDE

BILLS JEDE IS CONSIDERING — FEEDBACK WELCOME

1. **Regulatory Fairness:** Implement 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. **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.
3. **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.
4. **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.

ASSEMBLY INTRODUCED 683 BILLS (CONTINUED)

- AB 2 (Fong) Regulatory Reform
- AB 11 (Ward) Regional Climate Change Coordinating Groups
- AB 14 (Aguiar-Curry) Broadband Services and the California Advanced Services Fund
- AB 19 (Santiago, Chiu, and Kalra) Unemployment Benefits
- AB 25 (Kiley) Worker Classification
- AB 39 (Chau) California-China Climate Institute.
- AB 41 (Wood) Broadband Infrastructure
- AB 51 (Quirk) Regional Climate Adaption Planning Groups
- AB 55 (Boerner-Horvath) Employment and telecommuting
- AB 62 (Gray) COVID-19 Compliance Tax Credit
- AB 65 (Low) CA Universal Income Program
- AB 67 (Petrie-Norris) Economic Analysis of Rising Sea Levels
- AB 91 (Valladares) Small Business and Minimum Franchise Fee
- AB 96 (O'Donnell) Extension of Clean Truck Retrofit Loss Reserve Program
- AB 99 (Irwin) Longitudinal Data System for the California Cradle-to-Career Data
- AB 102 (Holden) College and Career Access Pathways Partnerships
- AB 103 (Holden) College and Career Access Pathway Partnerships
- AB 106 (Salas) Spot for Regions Rise

ASSEMBLY BILLS (CONTINUED)

AB 108 (Cunningham) Governor's Emergency Orders and Legislative Approval

AB 115 (Bloom) Commercial Zoning and Housing Development

AB 125 (R Rivas) Food and Agriculture, Climate and COVID-19 Recovery

AB 230 (Voepel) Employment: flexible work schedules

AB 231 (Nguyen) Worker Classification manicurists.

AB 240 (Rodriguez) Local Health Department Workforce Assessment

AB 247 (Ramos) Definition of Small Business under the Procurement and Contract Act

AB 249 (Choi) Income tax credits: research credit

AB 259 (Davies) Protecting Our Restaurants Tax Credit

AB 264 (Voepel) California Competes tax credit: pharmaceutical companies

AB 284 (R Rivas) Climate: Natural & Working Lands

AB 286 (Gonzales) Food Delivery Platforms

AB 299 (Villapudua) Apprenticeship Grant Program

AB 300 (Kiely) Ed Innovation & Planning Commission

AB 310 (Santiago) Public Banks

AB 336 (Villapudua) Enhanced infrastructure Financing Districts

AB 349 (Holden) CalTRANS Contracting Underrepresented Groups

AB 365 (O'Donnell) Sales and Use Tax Exclusion for Zero-emission Drayage Trucks

AB 386 (Cooper) Public Employees' Retirement Fund: investments

AB 393 (Reyes) Early Childhood Development

AB 412 (Reyes) CA Commission on Human Rights

AB 416 (Kalra) CA Deforestation-Free Procurement Act

ASSEMBLY BILLS (CONTINUED)

AB 417 (McCarty) Rising Scholars Network: Justice-involved Students

AB 421 (Ward) Community Colleges: Career Development & College Preparation

AB 461 (Villapudua) CalWORKs and self-employment

AB 464 (Mullin) Enhanced Infrastructure Financing Districts: allowable facilities, projects, and costs

AB 475 (Muratsuchi) GO-BIZ and Trade Office: Japan

[AB 476 \(Mullin\)](#) San Francisco Bay Area Contracting by County Transportation Authorities

[AB 498 \(Quirk-Silva\)](#) Computer Science Teacher Access Initiative

[AB 513 \(Bigelow\)](#) Telecommuting Employees

[AB 525 \(Chiu\)](#) Offshore Wind Generation

[AB 530 \(Fong\)](#) PAGA Filing Requirements

[AB 537 \(Quirk\)](#) Local Permitting: Broadband Projects

[AB 538 \(Muratsuchi\)](#) California Aerospace Commission

[AB 545 \(Quirk\)](#) UC Tax Expenditure study

[AB 548 \(Carrillo\)](#) Employment Training Panel (spot)

[AB 564 \(L Gonzalez\)](#) Biodiversity Protection and Restoration Act

[AB 565 \(Lackey\)](#) Interagency Committee on Apprenticeship – Subcommittee on homeless youth and foster youth.

[AB 572 \(Kalra\)](#) Minimum Wage Violations (spot)

[AB 593 \(Petrie-Norris\)](#) NOL and Tax Credit Limitation for Life Science Taxpayers

[AB 628 \(E Garcia\)](#) Breaking Barriers to Employment

[630 \(Arambula\)](#) Online Jobs and Economic Support Resource Grant Program

[AB 632 \(Ramos\)](#) Minimum Franchise Tax: Small Business

[AB 643 \(Ramos\)](#) Apprenticeship programs HS Career Fairs

[AB 649 \(Bennett\)](#) CalRecycle GHG Reduction Revolving Loan Program

ASSEMBLY BILLS (FINAL)

[AB 654 \(Reyes\)](#) COVID-19 Workplace Exposure Notification

[AB 664 \(Bigelow\)](#) Annual Corporation Tax and Small Businesses

[AB 666 \(Chiu\)](#) Apprenticeship (spot)

[AB 680 \(Burke\)](#) GHG Reduction Fund and California Just Transition Act

SENATE INTRO 433 BILLS

- SB 3 (Caballero and Bradford) COVID-19 Tenant Protections
- SB 4 (Gonzalez) Broadband Infrastructure Finance
- SB 7 (Atkins) Jobs and Economic Improvement Through Environmental Leadership Act
- SB 18 (Skinner) Green Hydrogen
- SB 22 (Glazer) K-12 and College Bond
- SB 49 (Umberg) COVID Business Fee Waivers
- SB 61 (Hurtado) Workforce Training and Supportive Services
- SB 62 (Durazo) Garment Manufacturing Employees
- SB 74 (Borgras) Keep America Working Act
- SB 83 (Allen) IBank Sea Level Rise Revolving Loan Program
- SB 99 (Dodd) Community Energy Resilience Act of 2021
- SB 260 (Wiener) Climate Corporate Accountability Act
- SB 285 (McGuire) CA Tourism Recovery Act
- SB 288 (Jones) Conversions: Foreign Corporation or Other Foreign Business Entity
- SB 313 (Durazo) CA Competes Tax Credit
- [SB 359 \(Caballero\)](#) Climate change: natural and working lands (spot)
- [SB 378 \(Gonzalez\)](#) Broadband Microtrenching Permits
- [SB 424 \(Durazo\)](#) Hire Tax Credit Homelessness
- [SB 430 \(Borgeas\)](#) Small Businesses - Reduction of civil penalties



CLOSING THOUGHTS

Links to Useful Information

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
- 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>
- Small Business Roundtable: <https://ajed.assembly.ca.gov/content/small-business-roundtables>