



...Securing economic equity and entrepreneurial opportunities for women by fostering collaboration and generating resources to build the capacity of its members.
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TO: JEDE Small Business Roundtable

FROM: Claudia Viek, Advocacy Director, CA WBC Network

RE: ESTIMATED IMPACT FROM LOSS OF CARES ACT TA FUNDING

As of September 30th, 72 programs providing TA to small and under-served businesses in CA, which are currently funded through the Go-Biz TAEP grants, will be losing \$28,710,000 in CARES Act funding allocated over the past 24 months. These funds allowed them to scale up to help businesses struggling to stay afloat during the pandemic. Outreach, staffing and direct services were substantially increased to handle a huge demand for assistance with PPP and EIDL loans, with accessing PUA benefits and for help in pivoting and digitizing business operations. There was also an increase in start-up enterprises, as households struggled to create income after job losses.

Following is a the total amount of CARES Act funding for the past 24 months, and estimated numbers of businesses that will not be served due to loss of funding:

- Women's Business Centers: \$5.460 million (13 programs)
- Small Business Development Centers: \$21 million (53 programs)
- Minority Business Development Centers: \$2.25 million (3 programs)

We estimate that the average annual cost per client business served is \$2400. Therefore, the number of small/micro businesses that will not be served after loss of CARES Act funding is estimated to be 12,000.

We realize that the new SBA Community Navigator Program may address some of this gap. However, when, where and how much of this funding will make it to California is unknown at this time. We felt it was important to acknowledge the impact on programs currently receiving TAEP grants in order to gain a perspective on the impact in the communities they serve throughout the State. Since this impact will be felt by year end, we are asking the JEDE Committee to address this issue in the Legislature.