



# STAKEHOLDER ECONOMIC RECOVERY ROUNDTABLE

JULY 21, 2022

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 (Slide 2)
- II. Economic Data (Slide 6)
- III. Association and Public Program Updates (Slide 21)
- IV. Implementation of Economic Development and Recovery Programs (Slide 27)
- V. Information Sharing of Upcoming Economic Recovery Proposals (Slide 81)
- VI. Final Comments and Adjournment (Slide 90)

# 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 ongoing COVID-19 pandemic, Sabrina is focusing the Assembly Jobs Committee on tracking and disseminating information to stakeholders about resources available to help communities recover, keep small businesses open, and workers gainfully 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>



# INTRODUCTIONS

Thank you for joining us today.

Please use the chat to introduce yourself, your organization with a web link, and the email you prefer people to use.

We will also do a quick round-robin for everyone to identify themselves and their organization on the microphone.

If this is your first meeting, feel free to take a little more time to briefly introduce yourself to the group.





# ECONOMIC DATA

Agenda Item II

# REFLECTIONS ON CALIFORNIA'S COVID-19 RECOVERY

## Immediate Economic Impact:

- CA experienced a 2.7 million drop in jobs between March and April 2020 and 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.

## Current Status:

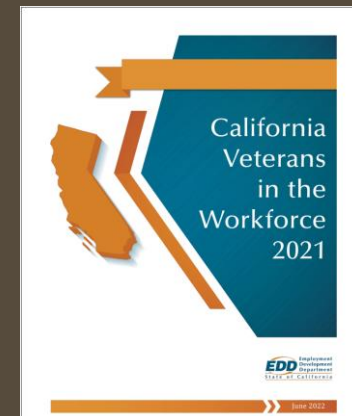
- CA has regained 2.5 million, or nearly 93%, of the 2.7 million jobs that were lost in March and April 2020 due to the COVID-19 pandemic. *(based on May 2022 employment numbers)*
- Recovery is supported by vaccines – over 71.4% of CAs over the age of 6 months are fully vaccinated.
- CA has had an unequal recovery, and many areas of the state and industry sectors are still in distress.

# DATA POINTS

*[Employment data for May 2022]*

- ❖ Total nonfarm employment in CA for May 2022 was 18.4 million, reflecting an increase of 121,000 jobs from the prior month, up over 1 million jobs from May 2021.
- ❖ The CA unemployment rate in May 2022 was 4.3% with over 835,000 unemployed individuals, -664,000 lower than in May 2021. The comparable federal unemployment rate was 3.6%.
- ❖ CA has regained 2,565,100 (93%) of the 2,758,900 jobs that were lost in March and April 2020 due to the COVID-19 pandemic.
- ❖ For 43.5% of the people who filed for an unemployment-related benefit for the week ending on July 2, 2022, their highest level of educational attainment was a GED or high school diploma or less. \$183 billion has been paid to out-of-work Californians since start of pandemic.
- ❖ May 2022 unemployment rates: 12.4% for Teenagers, 9.6% Blacks, 6.0% Hispanics, and 5.2% Whites. Comparable unemployment rate is 5.5%, based on a 12-month rolling average. The labor participation rate in May 2022 was 62.3%. There are 978,000 people who are not in the labor force but want a job, which is -9.4% lower than one year ago.





# NEW DATA ON VETERAN EMPLOYMENT

In July 2022, EDD released a [new report](#) on California veterans (primarily 2021 data). A selection of key findings are below:

- There are 18.5 million veterans living in the US, including 1.35 million (7.3% of all veterans) that consider California their home.
- CA has the third highest number of veteran residents, as compared to other states.
- Nearly 7-out-of-10 veterans (67.1%) in CA were 55 years and older.
- A majority of CA veterans have less than a bachelor's degree in formal education. In 2021, only 37.8% of the state's veterans held a bachelor's degree or higher.
- In 2021, CA veterans were employed largely in occupational groups closely tied to their previous military careers, including computer and mathematical, healthcare practitioners, legal, and postsecondary teaching occupations.

# CALIFORNIA NONEMPLOYER ESTABLISHMENTS

|                 |  | 2018 COMBINED ESTABLISHMENT DATA |                               |                               | 2018 NONEMPLOYER STATISTICS (NES) DATA |                             |
|-----------------|--|----------------------------------|-------------------------------|-------------------------------|--|-----------------------------|
| 2017 NAICS Code | 2017 NAICS Description                                       | Total CBP and NES Establishments | CBP Establishments Percentage | NES Establishments Percentage | NES Establishments                     | NES Receipts (in thousands) |
| 00              | Total  | 4,408,401                        | 21.7                          | 78.3                          | 3,453,769                              | 189,304,472                 |
| 11              | Agriculture, Forestry, Fishing and Hunting                   | 16,743                           | 12.1                          | 87.9                          | 14,723                                 | 815,008                     |
| 21              | Mining, Quarrying, and Oil and Gas Extraction                | 4,237                            | 15.6                          | 84.4                          | 3,577                                  | 161,896                     |
| 22              | Utilities  | 2,492                            | 51.6                          | 48.4                          | 1,207                                  | 93,580                      |
| 23              | Construction   | 316,798                          | 24.5                          | 75.5                          | 239,250                                | 15,136,709                  |
| 31-33           | Manufacturing  | 83,527                           | 44.8                          | 55.2                          | 46,094                                 | 3,009,478                   |
| 42              | Wholesale Trade  | 119,529                          | 48.7                          | 51.3                          | 61,303                                 | 6,664,113                   |
| 44-45           | Retail Trade   | 351,778                          | 30.3                          | 69.7                          | 245,358                                | 13,046,850                  |
| 51              | Information  | 95,857                           | 27.5                          | 72.5                          | 69,518                                 | 3,105,657                   |
| 52              | Finance and Insurance  | 141,582                          | 36.2                          | 63.8                          | 90,267                                 | 7,613,750                   |
| 53              | Real Estate and Rental and Leasing                           | 398,710                          | 14.7                          | 85.3                          | 340,161                                | 44,004,697                  |
| 54              | Professional, Scientific, and Technical Services             | 724,083                          | 18                            | 82                            | 593,879                                | 31,532,474                  |
| 56              | Administrative and Waste Management and Remediation Services | 341,662                          | 13.4                          | 86.6                          | 296,012                                | 8,442,929                   |
| 61              | Educational Services   | 113,848                          | 13.1                          | 86.9                          | 98,922                                 | 1,804,767                   |
| 62              | Health Care and Social Assistance                            | 392,618                          | 29.4                          | 70.6                          | 277,376                                | 10,954,326                  |
| 71              | Arts, Entertainment, and Recreation                          | 260,365                          | 10.8                          | 89.2                          | 232,198                                | 8,576,459                   |
| 72              | Accommodation and Food Services                              | 149,179                          | 61.2                          | 38.8                          | 57,934                                 | 2,708,305                   |
| 81              | Other Services (except Public Administration)                | 456,280                          | 16.8                          | 83.2                          | 379,626                                | 13,107,302                  |

# A Look at Nonemployer Businesses

August, 2018

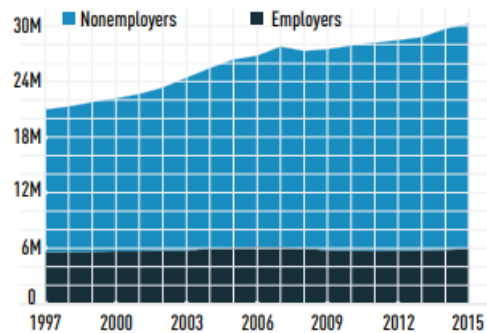
## What is a nonemployer business?

A nonemployer is a small business that has no paid employees. Nonemployer businesses are the primary source of income for 40 percent of their owners and an additional source for the remaining 60 percent. Only about 50 percent of nonemployer business owners spend less than 20 hours a week working for or managing their business, while 30 percent spend at least 40 hours a week on the business and about 20 percent spend between 20 and 40 hours. Source: U.S. Census Bureau, 2012 Survey of Business Owners (SBO).

## What share of the economy are nonemployers?

Four in five businesses are nonemployers. The number of nonemployer firms has risen 58 percent since 1997, from 15.4 million in 1997 to 24.3 million in 2015, while the number of employer firms has grown 6 percent in the same period (Chart 1). Nonemployer firms account for 3 percent of the annual receipts of US businesses and employer firms account for the remaining 97 percent. On average, nonemployer firms earn about \$47,000 annually and employer firms earn nearly \$6 million. Source: U.S. Census Bureau, 2015 Nonemployer Statistics (NES), 2015 Statistics of U.S. Businesses (SUSB), 2012 Survey of Business Owners (SBO).

**Chart 1: Number of small businesses (NES, SUSB)**

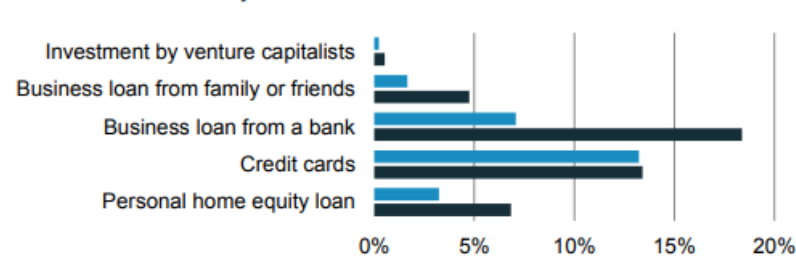


## Where do nonemployers get the capital to start their business?

Nearly a third of nonemployers report not needing startup capital. Among those

who do, 79 percent rely on the owner's personal or family savings. Other sources of startup capital include home equity loans, credit cards, business loans, and venture capitalists, although a smaller share of nonemployers use these compared to employer firms (chart 2). Source: SBO.

**Chart 2: Access to capital (SBO)**



## What do nonemployers do?

While nonemployers are most concentrated in industries like performing arts and passenger transportation, these businesses appear in practically every industry and comprise the majority of nearly 80 percent of industry subsectors. Nonemployers operate museums and hobby shops; provide pet care and dating services; manufacture clothing, electrical equipment, and machinery; sell real estate; process data, and much more. Source: SBO.

## Who owns nonemployer business?

Compared to employer owners, owners of nonemployer businesses are younger and more diverse in terms of race, ethnicity, and gender. About one third of nonemployer businesses are owned by minorities and four in ten are owned by women (Table 1). Source: SBO.

**Table 1: Owner demographics (SBO)**

| Owner Demographic      | Employer | Nonemployer |
|------------------------|----------|-------------|
| All classifiable firms | 100%     | 100%        |
| Minority               | 18%      | 32%         |
| Female                 | 20%      | 40%         |
| Under 35               | 7%       | 16%         |
| Over 65                | 16%      | 15%         |
| Veteran                | 9%       | 9%          |

<https://www.sba.gov/sites/default/files/advocacy/Nonemployer-Fact-Sheet.pdf#:~:text=Compared%20to%20employer%20owners%2C%20owners%20of%20nonemployer%20businesses,are%20owned%20by%20women%20%28Table%20%29.%20Source%3A%20SBO>

# Employer and Nonemployer Firms

## Firms and Receipts for Minority-Owned and Nonminority-Owned Businesses for 2018



Notes: Data shown includes only firms classifiable by race and ethnicity and excludes the equally minority/non-minority category. Minority-owned firms are defined as any race and ethnicity combination other than non-Hispanic and White. The NES-D is an annual statistical series that uses existing administrative records (AR) and census data to link demographic characteristics to the universe of nonemployer businesses. The Census Bureau provides annual business owner demographics for all businesses through a blended-data approach that combines AR-derived estimates for nonemployer businesses from NES-D and survey-derived estimates for employer businesses from the Annual Business Survey (ABS). The ABS is sponsored by the National Center for Science and Engineering Statistics within the National Science Foundation.

<https://www.census.gov/library/visualizations/2021/comm/employer-and-nonemployer-firms.html>

# FAQ ON LABOR AND EMPLOYMENT TERMS

- **What is the definition of the civilian labor force?** The labor force includes all people ages 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 of 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

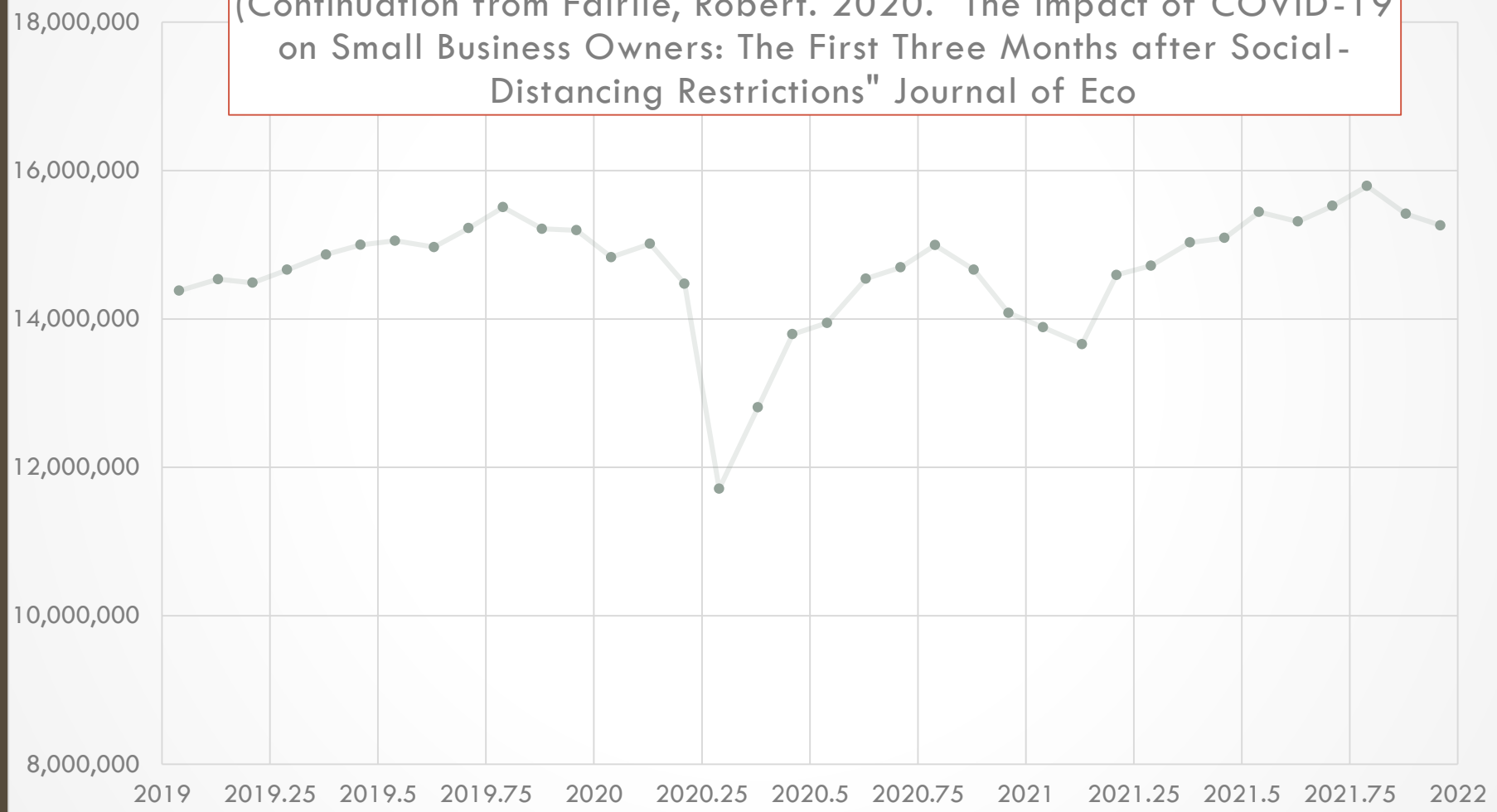
Based on stakeholder engagement, published reports, and other committee activities

# 2022 KEY RECOVERY CHALLENGES

- ❑ **Most Impacted Still Face Biggest Challenges:** Data continues 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.
- ❑ **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.
- ❑ **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.
- ❑ **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.



Figure 1: Number of Active Business Owners in the United States  
(Jan. 2019 - Dec. 2021)  
(Continuation from Fairlie, Robert. 2020. "The Impact of COVID-19  
on Small Business Owners: The First Three Months after Social-  
Distancing Restrictions" Journal of Eco



# CHECK LIST OF 2022 KEY ISSUES (SLIDE 1 OF 2)

- **Tracking and Monitoring of Programs Funded in 2020-21, 2021-22, and 2022-23:** The Legislature has been 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 Program:** More TA funding and program changes are needed to meet current small business needs. Program updates included in AB 1072 (Reyes). \*The 2022-23 budget increased TA funding, but long-identified program issues remain.
- **Pipeline of Capital-Ready Small Businesses:** California is set to receive \$1.1 billion in federal State Small Business Credit Initiative funds. These funds will be used to capitalize state credit enhancement and venture fund programs. Technical assistance needs to be delivered in a coordinated manner to create a pipeline of finance- and investment-ready small businesses. \*JEDE and Budget Sub 4 held joint hearing on implementation (3-29-22).
- **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), held in Assembly Appropriations, offers an incentive to landlords to forgive back rents in exchange for tax credits.

# CHECK LIST OF 2022 KEY ISSUES

(SLIDE 2 OF 2)

- **Net-Zero Powered Economy – Could Drive Workforce Training:** The Community Economic Resiliency Fund (CERF) 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, workers, and communities. \*Regional applications are due July 23 and the 2022-23 budget includes funding for additional programs and activities.
- **Preparing for Federal Infrastructure Funding:** CA will receive billions in federal infrastructure funds. AB 2974 (JEDE) requires all contracts that include federal funds have a 25% small business participation requirement. AB 2019 (Petrie-Norris) creates a bidding preference for dual enrolled disadvantaged business enterprises.
- **Unemployment Insurance Repayment Costs to Small Businesses:** Without state intervention, 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) to offset costs to small businesses. \*2022-23 budget includes \$250 million with a commitment of \$500 million in 2024 provide relief to small businesses as a result of the anticipated increases in federal unemployment insurance taxes.
- **Eroding Purchasing Power and Lack of Skilled Workforce:** Small Businesses continue to express concern over job vacancies. Higher costs of materials and inflation are also impacting businesses. \*2022 Budget includes several new TA and grant programs to assistance small business owners who are continuing to struggle due to COVID-19.

# NEW FEDERAL SMALL BUSINESS STRATEGY

- In 2021, 5.4 million new businesses were established. This was 20% higher than in any other year.
- In the first three-quarters of 2021, small businesses with fewer than 50 employees created 1.9 million jobs. Fastest start to small business job growth in any year on record and 7% above pre-pandemic levels.
- Hispanic Americans started new businesses at the fastest rate in more than a decade and 23% faster than pre-pandemic levels.

## President Biden's Four-Pillar Economic Strategy for Small Businesses

1. Expand Access to Capital
2. Help Small Businesses Navigate Available Resources
3. Leveraging Federal Spending to Support Small Businesses, i.e. Federal Infrastructure Funding
4. Level the Playing Field for Small Business Owners by Reforming the Tax Code.

[President-Biden-Small-Biz-Boom-full-report-2022.04.28.pdf \(whitehouse.gov\)](#)



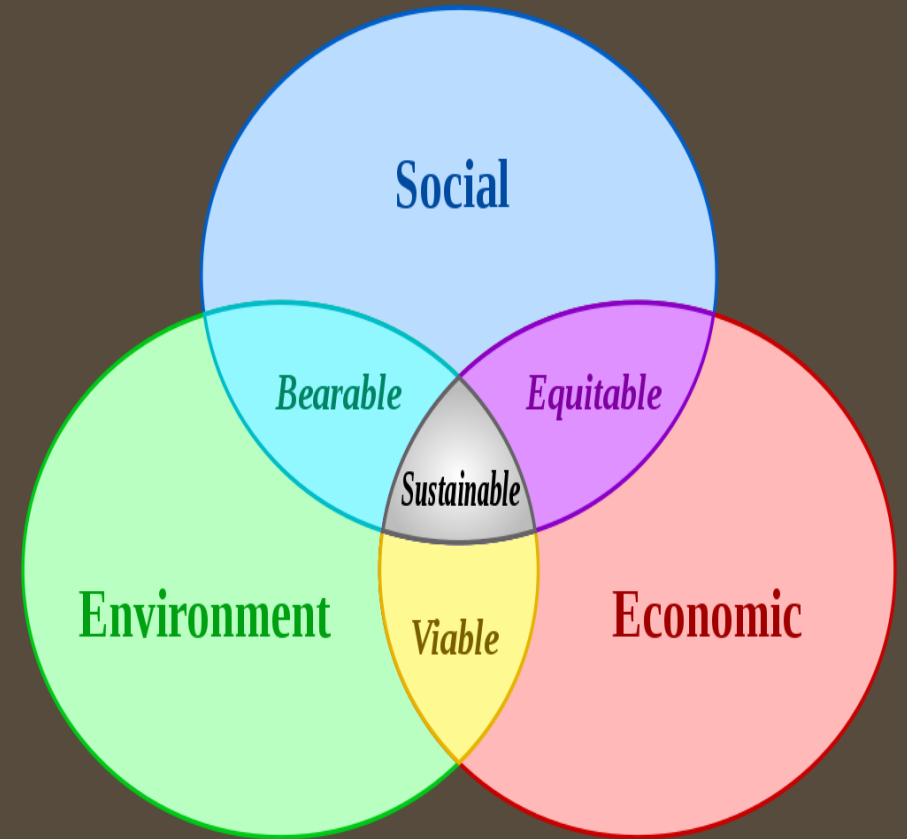
# ASSOCIATION AND PUBLIC PROGRAM UPDATES

Agenda Item III

## SPEAKERS — AGENDA ITEM III

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

- Heidi Pickman with [CAMEO](#) on financial disclosures to small business borrowers.
- If others want to also provide an update — there is still time to volunteer.



# DFPI'S COMMERCIAL FINANCING DISCLOSURE REGULATIONS EXTENDED TO SMALL BUSINESSES



The [California Office of Administrative Law](#) approved on June 9 the DFPI's proposed commercial financing disclosure regulations. The regulations extend disclosure protections to California small businesses when those businesses seek commercial financing. When the disclosures take effect on December 9 of this year, California small businesses will be better equipped to understand the costs and benefits of commercial financing offers and to compare different offers to find the best financing solution to meet their needs. The [final regulations](#) and [Final Statement of Reasons](#) are posted to the DFPI website.

On September 30, 2018, California enacted [SB 1235](#) (Glazer), a bill requiring commercial financing providers to provide disclosures to small businesses. The bill required providers to disclose the total amount of funds provided, the total dollar cost of financing, the term or estimated term, the method, frequency, and amount of payments, a description of prepayment penalties, and (until January 1, 2024) the total cost of financing expressed as an annualized rate. The California Legislature tasked the DFPI with issuing regulations before the above-described requirements would take effect.

# PROPOSED RULES ON COMMERCIAL FINANCIAL PRODUCTS AND SERVICES

(YOU CAN JOIN A SIGN-ON LETTER – BOTTOM OF SLIDE)



The DFPI invites public comments on proposed rulemaking under the [Consumer Financial Protection Law](#) (CCFPL).

The proposed regulations implement, interpret, or make specific provisions of the Financial Code which relate to the offering and provision of commercial financing and other financial products and services to small businesses, nonprofits, and family farms.

Submit comments by any of the following methods. Via email to [regulations@dfpi.ca.gov](mailto:regulations@dfpi.ca.gov) with a copy to [Samuel.Park@dfpi.ca.gov](mailto:Samuel.Park@dfpi.ca.gov). Include “PRO 02-21” in the subject line.

Via postal mail to: Department of Financial Protection and Innovation, Attn: Sandra Navarro, 2101 Arena Boulevard, Sacramento, California 95834

Available at the DFPI website are the [Notice of Proposed Action](#), the [Text of Proposed Regulations](#) and the [Initial Statement of Reasons](#).

The 45-day public comment period ends on Monday, August 8, 2022.

Responsible Business Lending Coalition Letter: [DFPI UDAAP Comment Letter Sign-on \(google.com\)](#)





S U P P L I E R   D I V E R S I T Y

### **Supplier Diversity Program**

Tesla recognizes that supplier diversity creates a competitive advantage for businesses and has a positive impact on the communities in which we work. To this end, Tesla is in the process of building a robust Supplier Diversity program to increase the diversity of our suppliers throughout our organization. We intend to partner with internal and external stakeholders to identify business opportunities for diverse suppliers and work with community organizations to help build the capacity of suppliers to be competitive on bids.

If you or someone you know has a diverse business, including but not limited to Minority, Women, or Veteran owned, and is interested in partnering with Tesla, please feel free to email [supplierdiversity@tesla.com](mailto:supplierdiversity@tesla.com) and include the company's capability statement.

**THE OMICRON BA.5 SUB  
VARIANT IS THE MOST  
CONTAGIOUS SO FAR AND  
LEADING TO RISING CASES**

#GetBoosted against #COVID19  
to supercharge your immunity!  
Boosters help keep you strong &  
protected no matter what you're  
up to. Visit <http://MyTurn.ca.gov>  
or call 833-422-4255 to find a  
vaccine near you.

[https://twitter.com/Cal\\_HHS/status/1548699125725761536](https://twitter.com/Cal_HHS/status/1548699125725761536)

Visit  
**MyTurn.ca.gov**  
to find a vaccine  
near you.

**#GetVaccinated**

covid19.ca.gov

My Turn



# IMPLEMENTATION OF ECONOMIC DEVELOPMENT AND RECOVERY PROGRAMS

Agenda Item IV

# SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds with the JEDE Committee will facilitate this agenda item.
- ❑ Derek Kirk with [GO-Biz](#) to demonstrate their new community and place-based data tool (*first presenter*)
- ❑ Darrene Hackler with [Smart Incentives](#) to discuss Kauffman Foundation report, [COVID-19 AND ENTREPRENEURIAL FIRMS - Seeding an Inclusive and Equitable Recovery](#) (*2:30 pm*)
- ❑ John Keisler and Eric Romero with [Sunstone Management](#), corporate partner to the [Long Beach Accelerator](#)

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

# COMMUNITY & PLACE BASED DATA TOOL



**Derek Kirk** with GO-Biz is providing a live demonstration of their new community and place-based data tool. This new interactive web-map allows users to access economic, workforce, business and demographic data for California cities, counties, and economic regions.

<https://properties.zoomprospector.com/california/community?page=1&s%5BSortDirection%5D=false&s%5BCommunityType%5D=2&s%5BSortBy%5D=name>

Derek Kirk, Community-Based Solutions Supervisor, GO-Biz

Contact Information: [derek.kirk@gobiz.ca.gov](mailto:derek.kirk@gobiz.ca.gov) and (916) 719-2514 *[mobile]*

# *Seeding Inclusive and Equitable Recovery*

## *Key Insights and Promising Examples*

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DARRENE HACKLER, Ph.D.

Inclusive Economy/Economic Development Roundtable  
California Assembly Committee on Jobs, Economic  
Development, and the Economy



July 21, 2022

# COVID-19 AND ENTREPRENEURIAL FIRMS\*

## Seeding an Inclusive and Equitable Recovery

July 2022

Darrene Hackler, PhD

Ellen Harpel, PhD



Jessica Looze, PhD

Jessica Milli, PhD



\*Funded by the Ewing Marion Kauffman Foundation

# Relief and Recovery Responses





# Assessing Progress on DEI

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Relief and recovery programs attempted to make fund distribution more equitable.

- Recognizing existing small business and entrepreneur support programs have not served many communities well
- Targeting businesses most severely affected
- Expanding pool of approved lenders (CDFIs, FinTech, etc.)



Programs adopted new metrics to ascertain progress on equity.

- Positive efforts, but...
- New data points are often not sufficient to answer stakeholder questions about equity and inclusion.



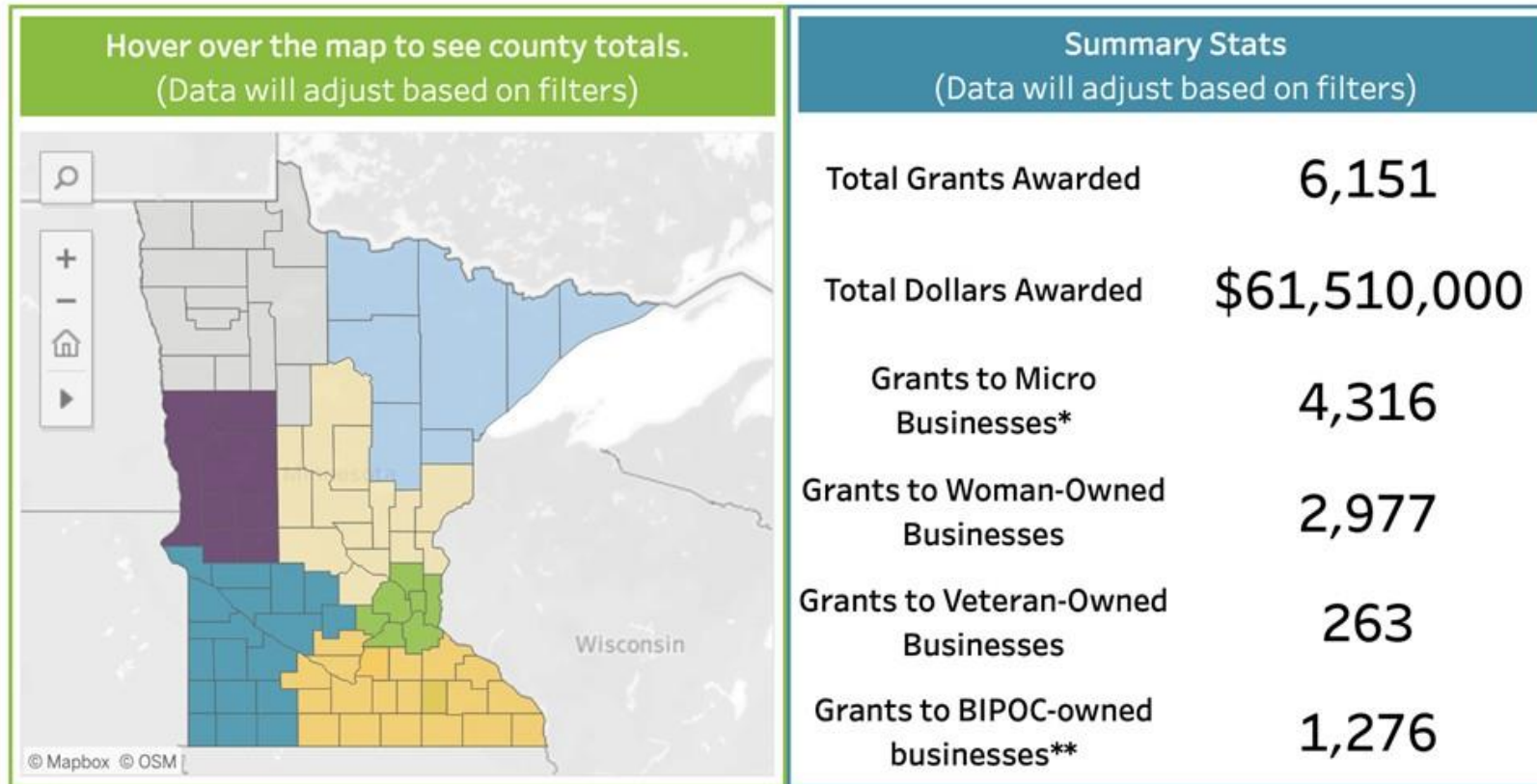
# Key Insight 1



Programmatic equity and inclusion goals can complement economic growth objectives.

Including diverse groups of entrepreneurs and small business owners in the development of such programs can improve their design.

# Minnesota Small Business Relief Program Grant



**Note on business type definitions:**

\* Micro businesses are defined as those having 6 or fewer employees.

\*\* BIPOC-owned businesses are those whose owners identify as Black, Indigenous or a Person of Color (BIPOC).

# Key Insight 2



Program designers need more guidance from federal and state government on the development of reporting metrics.

# Vermont Economic Recovery Grant Program

| VERMONT ECONOMIC RECOVERY GRANT PROGRAM |                          |                             |                           |                            |                          |                         |
|---|--------------------------|-----------------------------|---------------------------|----------------------------|--------------------------|-------------------------|
| AWARDS BY DEMOGRAPHIC - ACCD AWARDS     |                          |                             |                           |                            |                          |                         |
| Organization Owner Demographic          | Count<br>(Organizations) | Percent of<br>Organizations | Total Amount of<br>Awards | Percent of<br>Total Amount | Raw Unmet Need           | Remaining Unmet<br>Need |
| Minority Women-Owned Organizations      | 161                      | 6%                          | \$ 4,417,896              | 3%                         | \$ 5,995,492.71          | \$ 3,881,809            |
| Women-Owned Organization                | 908                      | 33%                         | \$ 21,575,975             | 16%                        | \$ 25,836,671.39         | \$ 15,862,378           |
| Minority-Owned Organization             | 168                      | 6%                          | \$ 4,007,322              | 3%                         | \$ 5,842,354.86          | \$ 3,502,489            |
| Minority-OR- Women Owned Organization   | 1,237                    | 44%                         | \$ 30,001,193             | 23%                        | \$ 37,674,518.96         | \$ 23,246,676           |
| All other Organizations                 | 1,552                    | 56%                         | \$ 101,533,889            | 77%                        | \$ 306,650,660.75        | \$ 246,678,254          |
| <b>TOTALS</b>                           | <b>2,789</b>             | <b>100%</b>                 | <b>\$ 131,535,082</b>     | <b>100%</b>                | <b>\$ 344,325,179.71</b> | <b>\$ 269,924,930</b>   |

**44%**  
of ACCD  
awards were  
granted to  
WBE or MBE  
recipients

| VERMONT ECONOMIC RECOVERY GRANT PROGRAM  |                          |                             |                           |                            |                       |                         |
|--|--------------------------|-----------------------------|---------------------------|----------------------------|-----------------------|-------------------------|
| AWARDS BY DEMOGRAPHIC - TAX DEPT. AWARDS |                          |                             |                           |                            |                       |                         |
| Organization Owner Demographic           | Count<br>(Organizations) | Percent of<br>Organizations | Total Amount of<br>Awards | Percent of<br>Total Amount | Raw Unmet Need        | Remaining<br>Unmet Need |
| Minority-OR- Women Owned Organization    | 429                      | 21%                         | \$ 29,698,244             | 15%                        | \$ 23,768,204         | \$ 12,242,900           |
| All other Organizations                  | 1,638                    | 79%                         | \$ 168,819,052            | 85%                        | \$ 312,710,466        | \$ 233,048,493          |
| <b>TOTALS</b>                            | <b>2,067</b>             | <b>100%</b>                 | <b>\$ 198,517,296</b>     | <b>100%</b>                | <b>\$ 336,478,670</b> | <b>\$ 245,291,393</b>   |

**21%**  
of Tax awards  
were granted  
to WBE and  
MBE recipients

# Key Insight 3



The tracking of equity and inclusion metrics should be paired with purposeful program design and feedback loops.



**Fayetteville Small Business Relief Grant Program**  
Applicant Registration Form

# Report and Contact Information

**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 [TechnicalAppendix](#)

**Covid-19 And Entrepreneurial Firms**

**Seeding an Inclusive and Equitable Recovery**

[Report](#) and [One-pager](#)

To avoid misinterpretations, please contact:

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# Sunstone Management

- Investment
  - Entrepreneurship
  - Community
- 





## COVID Response

- Capital Access
- Technical Assistance
- Community Building





## Community Accelerators (P3)

- Government
- University
- Private Equity



## Our Startups

165%

Employee Growth

75%

Minority Led

60%

Women Led



Join the Sunstone  
Community!





# 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 \$1.18 billion in [State Small Business Credit Initiative](#)
- [\\$7.6 billion Early Action Budget Agreement](#) (state) – signed into law on February 23, 2021
  - Includes \$2.1 billion for small businesses who are experiencing pandemic hardship
- [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 Infrastructure Investment & Jobs Act](#) (federal) – signed into law on November 15, 2021
- [\\$6.1 billion in Tax Relief and \\$1.9 billion Early Action Budget Agreement](#) (state) – signed into law on February 10, 2022
  - Includes early reinstatement of business incentives and \$150 million for small business grant program
- [California State Budget for 2022-23](#) (state) – signed into law on June 30, 2022



# FEDERAL UPDATES



# USMCA SOLAR IMPORT AGREEMENT



The US and Canada signed a memorandum of understanding (MOU) to settle a dispute on trade in solar products under the United States-Mexico-Canada Agreement (USMCA). The MOU is also intended to promote greater North American solar supply integration.

The MOU reaffirms both countries' commitment to prohibit imports of solar products produced in whole or in part with forced or compulsory labor.

The MOU also contains a mechanism to ensure that solar product imports from Canada do not undermine the existing U.S. safeguard measure on imports of solar products.

In early 2018, the US imposed a solar safeguard measure to address import competition and support the domestic solar industry. The safeguard measure is based on a finding by the US International Trade Commission that the domestic solar industry was seriously injured by increased imports.

In February 2022 the solar safeguard measure was extended through executive action for an additional four years and directed the US Trade Representative to conclude agreements with Canada and Mexico on trade in solar products.

Also in February 2022, a USMCA panel issued its report, finding that the prior Administration's decision to include imports from Canada in the solar safeguard measure was inconsistent with certain USMCA rules. The MOU with Canada also constitutes a resolution of this outstanding dispute



# THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (HR 3684)

Enacted November 15, 2021  
(Slide 1 of 6)



# EXPANDED BRIEFING — THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA) (SLIDE 2 OF 6)

- 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 reliable high-speed internet through broadband infrastructure deployment.
- Reauthorizes surface transportation programs for five years and invests \$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](#)

# GUIDEBOOK AND FREE INFRASTRUCTURE SCHOOL (SLIDE 3 OF 6)

**Infrastructure School** is a series of 12 in-depth webinars to help stakeholders better understand the IJA programs [www.build.gov](http://www.build.gov)

- **Ports and Waterways** – <https://youtu.be/lC2bc6d3c1M>
- **Airports** – <https://youtu.be/jnZqWD7Sx6o>
- **Electric Vehicles** – <https://youtu.be/ps4GPnbKTag>
- **Public Transportation** – [https://youtu.be/H\\_jz\\_f9wWYk](https://youtu.be/H_jz_f9wWYk)
- **Passenger and Freight Rail** – <https://youtu.be/pIGglKyFt1c>
- **Roads, Bridges and Major Projects** – <https://youtu.be/OoYudCZor1Y>
- **Safety** – <https://youtu.be/2pFiHduYShU>
- **Clean Energy and Power** – <https://youtu.be/O3gxxJ1t6T4>
- **Water** – <https://youtu.be/vso7z8hqCLA>
- **Resilience** – <https://youtu.be/jB8AFCAezy4>
- **Environmental Remediation** – [https://youtu.be/ro\\_ziYoIgYo](https://youtu.be/ro_ziYoIgYo)
- **Broadband** – <https://youtu.be/t7rM1uTAl9c>

[IIJA Guidebook](#)  
and webinar  
“[How to use the Guidebook](#)”

# SELECTED IIJA FORMULA FUNDING ANNOUNCED (SLIDE 4 OF 6)

- **Bridges:** CA will receive \$29.5 billion over five years for funding highways and bridges.
- **FAST Act:** CA will receive \$179 million in 402 formula funding for highway safety traffic programs.
- **Motor Carrier Safety Assistance Program:** CA will receive \$152.2 million over five years to augment commercial motor vehicle safety efforts.
- **EV Charging Stations:** CA will receive \$384 million over five years to support the expansion of its EV charging network.
- **Airports:** CA will receive \$1.5 billion for airport infrastructure improvements over five years.

CA and its local governments may also apply to 20 new & expanded competitive grant programs, including \$5 billion available for airport terminal upgrades, \$23 billion for high-capacity transit projects, and \$5.6 billion for the purchase or lease of zero-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. [https://www.transportation.gov/sites/dot.gov/files/2021-11/Bipartisan Infrastructure Law California.pdf](https://www.transportation.gov/sites/dot.gov/files/2021-11/Bipartisan_Infrastructure_Law_California.pdf)

# CA PREPARING FOR FEDERAL IIJA FUNDING (SLIDE 5 OF 6)

The Governor's proposed budget for 2022-23 includes the following:

- **\$20 billion** to accelerate the transition to zero-emission vehicles, modernize the state's transportation system, spur clean energy innovation, advance the state's housing goals, reduce wildfire risk to communities, and support drought resilience and response.
- A statement that many **IIJA grants build upon existing CA programs**, which will facilitate efficient implementation of these new federal funds.
- An estimate that CA will receive **\$14 billion** in new formula funding above existing funding levels to/through the state over the five-year period.
- Notice that the Governor will be seeking "**administrative flexibility** so matching fund requirements for **unanticipated formula or competitive programs** can be provided in a timely manner to bolster the state's competitiveness when applying for these programs."
- LAO Analysis of budget proposals on supply chain and transportation infrastructure package.

# CA PREPARING FOR FEDERAL IIJA FUNDING (SLIDE 6 OF 6)

- Senate Office of Research (SOR) prepared a report, “[The Infrastructure Investment and Jobs Act: Transportation Overview](#),” summarizing major provisions of the federal infrastructure bill, including information on new competitive grant programs, many of which prioritize climate, equity, and sustainability.
- SOR estimates that 90% of the funds are apportioned to states by formula through [various core programs](#). CA share is \$29.96 billion.
- 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, and 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.



# UPDATE ON STATE PROGRAMS



# SELECTION OF STATE RESOURCES WE ARE TRACKING

- ❑ \$4.2 billion **Small Business Grant Program**. Qualifying small businesses and nonprofits can receive awards of up to \$25,000. <https://business.ca.gov/about/publications/> (look under CA Small Business Covid-19 Relief Grant Program)
- ❑ \$1.18 billion in new capitalization under the **State Small Business Credit Initiative**. <https://www.ibank.ca.gov/small-business/ssbci/> and <https://www.treasurer.ca.gov/cpcfca/calcap/sb/ssbci.asp>
- ❑ \$200 million Main Street Tax Credit. <https://www.ftb.ca.gov/file/business/credits/small-business-hiring-credit.html>
- ❑ \$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) <https://calosba.ca.gov/funding-grants-incentives/california-dream-fund-program/> and \$20 million (California Workforce Development Board/Employment Training Panel) <https://etp.ca.gov/grants/>
- ❑ \$50 million California Microbusiness Grant. Qualifying microbusinesses can receive awards up to \$2,500. <https://business.ca.gov/about/publications/> (for more information look under CA Small Microbusiness Covid-19 Relief Grant Program)
- ❑ \$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/>
- ❑ \$23 million Small Business Technical Assistance Program funds local/regional TA providers to provide free one-on-one counseling and training to small businesses and nonprofits. G2022-23 budget actions increased funding and made the program permanent. <https://calosba.ca.gov/local-direct-assistance/small-business-centers/>

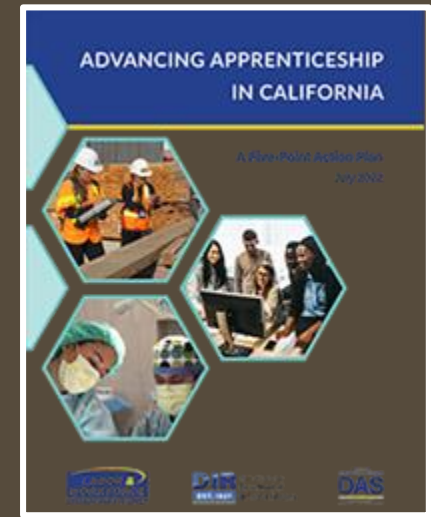
# COPYCAT GRANTS - WORKFORCE



- The California State Library is advancing a new grant model, called [CopyCat grants](#), which allow libraries to easily implement “tried-and tested-programs and extend the impact of previously funded, successful LSTA projects.”
- The State Library maintains a website where information on successful LSTA projects are posted in a toolkit format. Each toolkit contains a link to the original application and information about the purpose, target audience, outcomes, and implementation steps with links to sample documents from the original program.
- CopyCat grants do not have to be identical to the originals and libraries are encouraged to tailor projects to fit their local communities.
- On July 5, 2022, a toolkit for the [Workforce Partnership Initiative](#) was released. *Libraries will need to partner with their local workforce development board to promote employment, career development, and skill-building for job seekers. Successful applicants will receive grants of up to \$20,000 to offer workshops and other services. This grant is “also an opportunity to build library staff skills and confidence in supporting job seekers from diverse backgrounds.”*



# ADVANCING APPRENTICESHIP IN CALIFORNIA: A FIVE-POINT ACTION PLAN



The CA Labor and Workforce Agency and the CA Department of Industrial Relations released a [Five-Point Action Plan](#) to increase apprenticeships to 500,000.

1. Support sectoral and regional intermediaries, which play a critical role in building and sustaining multi-employer apprenticeship partnerships.
2. Develop and refine state policies and processes for apprenticeships in non-traditional sectors.
3. Address gender and racial inequities in apprenticeships in traditional construction and firefighting trades.
4. Build a statewide youth apprenticeship framework.
5. Encouraging California's state and local governments to hire apprentices into public service.

# WORKFORCE GRANTS

- **Breaking Barriers to Employment Initiative:** CA Workforce Development Board, in partnership with the Foundation for California Community Colleges, [announced](#) \$22.7 million in new funding to provide grants of up to \$750,000 for community-based organizations and local workforce development boards. Applications are due September 9, 2022, and must be submitted electronically through the [Cal-E Grants](#) website. An informational meeting from 11 to Noon on Tuesday, July 12, 2022. For more information, please email [breakingbarriers@foundationccc.org](mailto:breakingbarriers@foundationccc.org).
- Other grants available include:
  - Prison to Employment Initiative 2.0 ([link](#)) (\$19.5 million – due August 1)
  - High Roads Construction Careers ([link](#)) (\$16 million)
  - High Road Training Partnerships: Resilient Workforce Program ([link](#)) (\$16 million)

# CALIFORNIA MICROBUSINESS COVID-19 RELIEF GRANT PROGRAM

**COUNTY:** ALAMEDA, AMADOR, CONTRA COSTA, EL DORADO  
**FISCAL AGENT:** CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

**AMOUNT RECEIVED:** \$3,836,089.90

## KEY OUTREACH ACTIVITIES:

### Outreach & Marketing Partners:

- Amador:
  - Motherlode Job Training
  - Victory Village
  - Amador Community Foundation
  - Top Cop
- Alameda:
  - Oakland Metropolitan Chamber of Commerce
  - Berkeley Chamber
  - Mid-Alameda County Consortium (MACC)
  - Rubicon Programs
- Contra Costa:
  - Rubicon Programs
  - San Pablo EDC
  - El Sobrante Chamber of Commerce
  - Richmond Community Foundation
- El Dorado:
  - Tahoe Chamber
  - El Dorado Hills Chamber of Commerce
  - El Dorado Community Foundation
  - El Dorado County Chamber of Commerce

### Languages Serviced:

- Alameda
  - English, Spanish, Chinese, Vietnamese
- Amador
  - English, Spanish
- Contra Costa
  - English, Spanish, Tagalog, Chinese
- El Dorado
  - English, Spanish

### Outreach Tools:

- Email application and marketing materials to local community offices (including libraries and schools)
- Setup informational booths at street fairs and farmers markets
- Mail marketing collateral to grocery stores, food banks, hardware stores, event venues, coffee shops, restaurants, and food trucks.
- Advertisements through radio, newspapers, bus stops, taxis, billboards
- Social media promotion on Facebook and Instagram

[Link](#)

# CALIFORNIA MICROBUSINESS COVID-19 RELIEF GRANT PROGRAM

**COUNTY:** RIVERSIDE  
**FISCAL AGENT:** COUNTY OF RIVERSIDE AND CHARITABLE VENTURES

**AMOUNT RECEIVED:** \$3,093,964.21

## KEY OUTREACH ACTIVITIES:

### Outreach & Marketing Partners:

- Coachella Valley Small Business Development Center
- Get in Motion Entrepreneurs
- MicroEnterprise Collaborative of Inland Southern California
- Asociación of Emprendedores
- Small Business Majority

### Languages Serviced:

- English
- Spanish

### Outreach Tools:

- Website advertisement
- Direct outreach via flyers at street vending locations
- Newsletter email distribution
- Social Media (Facebook, Twitter, Instagram, LinkedIn)
- Local media outlets (radio, online, TV, print)
- Public service announcements
- Partner YouTube videos and Podcast channels



# 10 REGIONAL INNOVATION HUBS

- 2021-22 Budget Actions approved \$2.5 million and major program changes to the Innovation Hub Program. In addition to rebranding the program the Inclusive Innovation Hub (iHub2) Program, the program structure shifted from a single industry cluster-focused program to a more general entrepreneur-focused program to “spur innovation and diversification across industry sectors and geographies while attracting entrepreneurs from underserved business communities.”
- The Office of the Small Business Advocate announced the [designation of 10](#) new Inclusive Innovation Hubs (iHub2).
- 10 new iHub2s: [Transforming Ideas into Action iHub](#); [Clicks 2 Bricks, The Innovation Hub at Santa Cruz SBDC](#); [Central Valley Inclusive Innovation Hub](#); [iHub San Joaquin](#); [Siskiyou County iHub](#); [Economic Development Collaborative iHub](#); [Chicostart iHub](#); [Heal.LA iHub at LARTA Institute](#); [Los Angeles Cleantech Incubator iHub](#); and [University of San Diego, The Brink SBDC iHub](#).
- Each iHub2 will receive \$250,000 to implement its unique three-year strategy to “stimulate partnerships, economic development, and job creation.”
- The 2022-23 Budget approved further changes by, among other things, increasing the number of designations from 10 to 13 and aligning the regions with those used in the California Economic Resiliency Fund Program (*map shown on CERF slide*).

Expanded updates on two  
programs being implemented in  
California: The **State Small  
Business Credit Initiative** and the  
**Community Economic Resiliency  
Fund Program**



# STATE SMALL BUSINESS CREDIT INITIATIVE

Slide 1 of 10

# SSBCI FUNDING OVERVIEW (2 OF 10)

- 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, including:
  - **\$6.5 billion** awarded by formula for small business capital programs.
  - **\$1.5 billion** awarded by formula for programs targeted to **serve socially and economically disadvantaged individuals** (SEDI).
  - **\$1 billion** is available as **an incentive** for states who do well in serving the needs of SEDI-owned businesses. Awards based on tranche 1 performance with funding provided in tranches II and III.
  - **\$500 million** by formula for programs serving **very small businesses** (under 10 employees), which includes independent contractors and sole proprietors.
  - **\$500 million** awarded to implement small business technical assistance plans. [Application due September 1, 2022.](#)

# STATE SMALL BUSINESS CREDIT INITIATIVE (3 OF 10)

- \$1.18 billion in federal State Small Business Credit Initiative (SSBCI) funds to be split evenly between the IBank and the California Pollution Control Financing Authority (CPCFA) to provide both a venture equity funds and credit enhancements for debt through loan guarantees, loss reserves, and collateral support.
- CA submitted its final SSBCI application for the capital programs on February 2, 2022. The deadline for the small business technical assistance is June 30, 2022.
- 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.

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

FAQ from the US Treasury: <https://home.treasury.gov/system/files/136/SSBCI-FAQs-as-of-12-15-2021.pdf> (December 2021)

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



| <b>Chart 1 - California's Estimated SSBCI Funding*</b>   |                           |                   |
|--|---------------------------|-------------------|
| <b>Categories of Funding</b>   | <b>Funding Available</b>  |                   |
| Total Federal Funding Authorized   | \$10,000,000,000          |                   |
| Total CA SSBCI Allocation  | \$1,181,997,613           |                   |
| Subtotal CA Prorated SSBCI Allocation  | \$894,973,879             |                   |
| Subtotal CA SSBCI SEDI Allocation  | \$187,189,392             |                   |
| Subtotal CA SSBCI SEDI Performance Allocation  | \$99,834,342              |                   |
|  |                           |                   |
| <b>Funding is Distributed in Three Tranches. States Must Encumber 80% of their Funds to Access Next Tranche of Funding</b> | <b>Funding in Tranche</b> | <b>80% Target</b> |
| Tranche 1  | \$357,113,879             | \$285,691,104     |
| Tranche 2  | \$407,031,050             | \$661,315,944     |
| Tranche 3  | \$417,852,683             |                   |
|  |                           |                   |
| *This is based on California's allocation as of January 2022.  |                           |                   |
| Source: Document submitted to the Legislature by the IBank and CPCFA, January 7, 2022                                      |                           |                   |

California's application proposes to fund three existing small business capital programs and create at least one additional program. *Chart 2* provides details on California's proposed allocation plan.

| <b>Chart 2 - California's Proposed SSBCI Allocation Plan*</b>                         |                          |
|---|--------------------------|
| <b>Existing Programs Funded</b>   | <b>Funding Allocated</b> |
| Small Business Loan Guarantee (IBank)   | \$390,998,806            |
| California Capital Access Program (CPCFA)   | \$118,199,762            |
| California Capital Access – Collateral Support Program (CPCFA)                        | \$472,799,045            |
|   |                          |
| <b>New Program(s) Funded</b>  | <b>Funding Allocated</b> |
| Venture Capital (IBank)   | \$200,000,000            |
| Loan Participation (CPCFA) – under consideration                                      |                          |
|   |                          |
| <b>Total CA SSBCI Allocation</b>  | <b>\$1,181,997,613</b>   |
| *This is based on California's allocation as of January 2022.                         |                          |
| Source: Document submitted to the Legislature by the IBank and CPCFA, January 7, 2022 |                          |

# SSBCI UPDATES (5 OF 10)

- US Treasury [announced](#) the release of \$300 million of the \$500 million available for technical assistance.
  - \$100 million is being awarded to the Minority Business Development Agency at the Department of Commerce.
    - The deployment of MBDA TA funding will have “a particular focus on providing support to entrepreneurs seeking venture capital financing and other forms of equity financing.”
  - \$200 million will go to individual states and Tribal Governments.
- US Treasury released [guidelines](#) for the deployment of \$200 million in SSBCI technical assistance funding. The deadline for the small business technical assistance September 1, 2022.
  - California is expected to receive [\\$25.3 million](#) based a formula allocation.
  - TA funding may be used to provide legal, accounting, and financial services to SEDI-owned businesses and very small businesses.
  - Funded TA is required to help qualifying businesses seek capital from an SSBCI-funded, federally-funded, or other small business financing programs.
  - Treasury will require a plan that prioritizes contracts with SEDI-owned technical assistance providers.
- US Treasury updates [guidelines](#) for reporting on SSBCI capital program activities. [May 25, 2022](#)
- Application deadline [extended](#) to September 1, 2022, for Tribal government applying for capital program funding. Tribal governments [who filed letters](#) of intent to apply for SSBCI funding. [December 2021](#)

# FURTHER SSBCI UPDATES (6 OF 10)

- First SSBCI state agreements signed:
  - **Hawaii** - \$62 million to launch new loan participation and credit enhancement programs with two-thirds of its allocation. These programs will expand access to capital for underserved communities by lending to projects that will diversify Hawaii's economy and lessen its reliance on tourism. Hawaii will also operate a venture capital program, which will include investments in impact funds that target early-stage businesses focused on social or environmental change in Hawaii.
  - **Kansas** - \$69.5 million to operate a loan participation program and an equity program with over 80% of its funds. These programs will expand access to capital for underserved communities by providing companion loans and equity investments with varying levels of SSBCI support. Kansas estimates that approximately 40% of businesses supported will be women-owned and 20% will be minority-owned small businesses.
  - **Maryland** - \$198.4 million to operate eight loan and equity investment programs. Maryland anticipates that 70% of new loans in the SSBCI-funded program will be provided to minority-owned businesses and 40% to women-owned businesses. The Neighborhood Business Works Venture Debt Program (\$17 million) will provide lending alongside venture capital equity in high-growth businesses located in qualified low-income communities. Participating businesses will be anchored in these communities through federal tax incentives that require them to remain in low-income communities for several years.
  - **Michigan** - \$236.9 million to operate an existing collateral support program, which historically targeted industries with high wages and high job growth potential, such as manufacturing, medical device technology, and agribusiness. Michigan will expand the program to reach smaller service and retail businesses disproportionately hurt by COVID-19.
  - **West Virginia** - \$72.1 million to operate a seed capital co-investment fund, which will focus on underserved communities by providing equity investments matched with private equity other investors. The remaining funds will be deployed through two loan programs administered by CDFIs and other nonprofits that partner with community banks and CDFIs.

# WHO MUST THE SMALL BUSINESS PROGRAMS SERVE? (7 OF 10)

- 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 US.
- 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

# JOINT HEARING ON SSBCI AND INCLUSIVE RECOVERY

- The Assembly Committee on Jobs and the Assembly Budget Subcommittee 4 on State Administration held a joint hearing on in March 2022 to learn more about the state's proposed implementation of SSBCI and how these moneys would be used to advance a more inclusive economic development model.
- **Featured speakers** included the LAO, IBank, and the California Pollution Control Financing Authority, as well as a panel of small business finance experts.
  - **Hearing Background Materials:** <https://ajed.assembly.ca.gov/content/joint-hearing-ssbci-and-inclusive-economic-growth>
  - **Key Documents:** [Agenda](#) [Witness Bios](#)
  - **Witness Slide Decks:** [LAO Presentation](#)
  - **Related Materials from Witnesses:** [California SSBCI Summary](#) [LAO Presentation](#)

# CA'S FIRST ROUND OF SSBCI FUNDING? (9 OF 10)

- CA received \$168.4 million out of \$1.5 billion. Overall, CA leveraged 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](mailto:SSBCI@IBank.ca.gov)

# RESOURCES AND STATE CONTACTS FOR FOLLOW-UP (10 OF 10)

- [IBank SSBCI](#) inquiries and lenders interested in participating in IBank's Small Business Loan Guarantee Program should email [SSBCI@IBank.ca.gov](mailto:SSBCI@IBank.ca.gov).
- [CalCAP SSBCI](#) inquiries and lenders interested in participating in CalCAP should email [SSBCI@treasurer.ca.gov](mailto:SSBCI@treasurer.ca.gov).
- If you are not sure where to direct your questions, please contact the Assembly Committee on Jobs, Economic Development, and the Economy and we will do our best to provide assistance. [Toni Symonds](#), the Chief Consultant to the JEDE Committee, can be reached at [toni.symonds@asm.ca.gov](mailto:toni.symonds@asm.ca.gov)



# \$600 MILLION COMMUNITY RESILIENCY FUND PROGRAM

1 of 9 CERF Slides



# CERF PROGRAM BASICS (Slide 2 of 9)

**\$600 million** one-time General Fund for the **Community Economic Resilience Fund (CERF) program**.

- Supports 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 was enacted through SB 162, Chapter 259, Statutes of 2021.

# CERF Implementation Timelines

| Month             | Program Progress  |
|-------------------|---|
| April 2022        | <ul style="list-style-type: none"> <li>• Release Planning Phase Draft Guideline for Round 2 of public input</li> <li>• Host <a href="#">Guideline Workshops for Public Input</a></li> <li>• Release Evaluation/TA RFP for Phase 1 - Planning Phase Solicitation</li> </ul>  |
| May 2022          | <ul style="list-style-type: none"> <li>• Incorporate comments from Round 2 Public Comment Period</li> <li>• Release <a href="#">Planning Phase Solicitation</a> ( released May 26, 2022 and due July 25, 2022)</li> <li>• Announce Tribal Set-aside and Host Tribal Listening Session</li> </ul>                      |
| July 2022         | <ul style="list-style-type: none"> <li>• Begin Drafting Phase 2 – Implementation Phase Guidelines</li> <li>• Begin Drafting Tribal Set-aside Guideline</li> <li>• Planning Grant Applications Due on <a href="#">July 25, 2022</a></li> <li>• Award Planning Phase Grants and Initiate Contracting Process</li> </ul> |
| Fall 2022         | <ul style="list-style-type: none"> <li>• Release Implementation Phase Draft Guidelines for Public Comment</li> <li>• Incorporate Comments on Implementation Phase Guidelines</li> <li>• Host Phase 2 - Implementation Phase Guideline Workshops</li> </ul>  |
| Winter 2023       | <ul style="list-style-type: none"> <li>• Release Implementation Phase Solicitation</li> <li>• Release Tribal Set-aside Solicitation</li> </ul>  |
| February 2024     | <ul style="list-style-type: none"> <li>• Phase 1 - Planning Phase Encumbrance Deadline</li> </ul>   |
| September 2024    | <ul style="list-style-type: none"> <li>• Phase 1 - Planning Phase Expenditure Deadline</li> </ul>   |
| December 31, 2026 | <ul style="list-style-type: none"> <li>• All Obligation Paid Deadline (from statute)</li> </ul>   |

# CORE ACTIVITIES OF CERF (Slide 4 of 9)

- 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**. Applications for regional conveners are due **July 25, 2022**. 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 and zero-emission vehicles.
- Implementation grants fund projects that are **aligned with the regional plans**. More specifically:
  - The most current information is that the solicitation of the implementation grants will be released in **Winter of 2023**.
  - 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 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
- Regions already engaged in economic recovery and transition planning may receive funding for economic diversification pilots prior to all regions submitting final transition plans.
- Funds need to be spent or **obligated by December 31, 2024**. All funds need to be **paid by December 31, 2026**.

# FINAL CERF REGIONS AND OTHER APPLICATION RESOURCES

(Slide 5 of 9)

**Application:** This web link (also pasted below) includes all current application information, including the CERF SFP Announcement and Forms, CERF Errata Chronology, CERF Notices of Intent, and CERF Questions and Answers

[https://edd.ca.gov/en/jobs\\_and\\_training/WDSFP Workforce Development Solicitations for Proposals](https://edd.ca.gov/en/jobs_and_training/WDSFP_Workforce_Development_Solicitations_for_Proposals)

**Due:** Applications are due 3 p.m. on Monday, July 25, 2022.

## CERF Regions:

[https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.edd.ca.gov%2FJobs\\_and\\_Training%2Fnotices%2Fdocs%2Fwsin21-25att.docx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.edd.ca.gov%2FJobs_and_Training%2Fnotices%2Fdocs%2Fwsin21-25att.docx&wdOrigin=BROWSELINK)

## Q&A from June 30, 2022:

[https://edd.ca.gov/siteassets/files/jobs\\_and\\_training/pubs/wssfp21-06qanda.pdf](https://edd.ca.gov/siteassets/files/jobs_and_training/pubs/wssfp21-06qanda.pdf)

■ **OPR Webpage:** <https://opr.ca.gov/economic-development/just-transition/cerf.html>



# Community Economic Resilience Fund – Notices of Intent

## Workforce Services Information Notice

**WSIN22-01**

**Issued:** July 1, 2022

The Employment Development Department (EDD) in collaboration with the Labor and Workforce Development Agency, the Governor’s Office of Planning and Research, and the Governor’s Office of Business and Economic Development are providing a list of organizations that notified the EDD of their intent to apply for the Community Economic Resilience Fund Program (CERF).

This list may not be fully comprehensive and the organizations represented are not endorsed by the EDD or the CERF Interagency Leadership Team. Individuals interested in participating in an application may contact any of the potential applicants for more information. Note that organizations are not limited to only participating in one application, and you may reach out to multiple or all of the potential applicants in your region.

The CERF Solicitation for Proposal may be viewed on the [Workforce Development Solicitations for Proposals](#) webpage.

CERF related questions may be directed to us at [WSBCERF@edd.ca.gov](mailto:WSBCERF@edd.ca.gov). Please include “CERF” in the email subject line. For more information about this program, visit the [Community Economic Resilience Fund Program](#).

/s/ KIMBERLEE MEYER, Chief  
Central Office Workforce Services Division

## Attachments

- [CERF Notices of Intent \(PDF\)](#)

Last Revised: 07/01/2022

## CERF Phase I - Notices of Intent

| Organization Name   | Region                     | Contact First Name | Contact Last Name   | Email Address  | Phone Number   |
|---|----------------------------|--------------------|---------------------|--|----------------|
| All Home  | Bay Area                   | Jay                | Banfield            | <a href="mailto:jbansfield@allhomeca.org">jbansfield@allhomeca.org</a>   | 1-415-405-5064 |
| School of Arts and Culture  | Bay Area                   | Jessica            | Paz-Cedillos        | <a href="mailto:jessica@schoolofartsandculture.org">jessica@schoolofartsandculture.org</a>   | 1-510-381-6203 |
| West Oakland Job Resource Center  | Bay Area                   | Tarecq             | Amer                | <a href="mailto:tamer@wojrc.org">tamer@wojrc.org</a>   | 1-510-703-1337 |
| Services, Immigrant Rights and Education Network (SIREN)                | Bay Area<br>Central Valley | Julia              | Lopez               | <a href="mailto:julia@sirenimmigrantrights.org">julia@sirenimmigrantrights.org</a>   | 1-408-453-3003 |
| Global Communication Education & Art (GCEA)                             | Bay Area                   | Almaz              | Yihdego             | <a href="mailto:info.gcsinc@gmail.com">info.gcsinc@gmail.com</a>   | 1-510-395-2233 |
| Economic Development Collaborative (EDC)                                | Central Coast              | Bruce              | Stenslie            | <a href="mailto:bruce@edcollaborative.com">bruce@edcollaborative.com</a>   | 1-805-794-0455 |
| Monarchs Church   | Central Coast              | Maxwell            | Manley              | <a href="mailto:maxwellmanley@gmail.com">maxwellmanley@gmail.com</a>   | 1-831-809-2296 |
| Central Valley Community Foundation                                     | Central San Joaquin Valley | Karen              | Aceves              | <a href="mailto:karen@centralvalleyvcf.org">karen@centralvalleyvcf.org</a>   | 1-626-230-7601 |
| University of California Merced and Fresno Building Healthy Communities | Central San Joaquin Valley | Ana and Sandra     | Padilla and Celedon | <a href="mailto:anapadilla@ucmerced.edu">anapadilla@ucmerced.edu</a><br><a href="mailto:sceledon@fresnobhc.org">sceledon@fresnobhc.org</a> | 1-209-228-4400 |
| Sierra Business Council   | Eastern                    | Steven             | Frisch              | <a href="mailto:sfrisch@sierrabusiness.org">sfrisch@sierrabusiness.org</a>   | 1-530-562-4995 |
| Inland Empire Labor Institute   | Inland Empire              | Mike               | Chavez              | <a href="mailto:ielaborinstitute@gmail.com">ielaborinstitute@gmail.com</a>   |                |
| Inland Empire Community Foundation                                      | Inland Empire              | Michelle           | Decker              | <a href="mailto:mdecker@iegives.org">mdecker@iegives.org</a>   | 1-951-241-7777 |
| Farmworkers Institute of Education & Leadership Development             | Kern                       | Tamar              | Asatryan            | <a href="mailto:tasatryan@fieldinstitute.org">tasatryan@fieldinstitute.org</a>   | 1-818-585-6969 |
| Kern Community College District (Kern CCD)                              | Kern                       | Bonita             | Steele              | <a href="mailto:bsteele@kccd.edu">bsteele@kccd.edu</a>   | 1-661-336-5046 |
| California Community Foundation   | Los Angeles                | Maria              | Garcia              | <a href="mailto:mgarcia@calfund.org">mgarcia@calfund.org</a>   | 1-213-452-6297 |
| Better Youth, Inc.  | Los Angeles                | Hannah             | Chan                | <a href="mailto:hchan@betteryouth.org">hchan@betteryouth.org</a>   |                |

CERF Phase I - Notices of Intent

|   |                             |              |                          |  |                                      |
|---|-----------------------------|--------------|--------------------------|--|--------------------------------------|
| UCLA Office of Academic Planning and Budget                               | Los Angeles                 | Robert       | Rieth                    | <a href="mailto:rrieth@ponet.ucla.edu">rrieth@ponet.ucla.edu</a>   | 1-310-206-5015                       |
| Chico State Enterprises – North State Planning and Development Collective | North State                 | Courtney A.  | Farrell                  | <a href="mailto:cafarrell@csuchico.edu">cafarrell@csuchico.edu</a>   | 1-530-570-5342                       |
| Sierra Institute for Community and Environment                            | North State                 | Zoe          | Watson                   | <a href="mailto:zwatson@sierrainstitute.us">zwatson@sierrainstitute.us</a>   | 1-530-284-1022                       |
| StarWalker Organic Farms  | North State                 | Lacie        | OBrien                   | <a href="mailto:lacie@starwalkerorganicfarms.com">lacie@starwalkerorganicfarms.com</a>   |                                      |
| San Joaquin Partnership and Merced College                                | Northern San Joaquin Valley | Bob and Jill | Gutierrez and Cunningham | <a href="mailto:bob@sanjoaquinusa.org">bob@sanjoaquinusa.org</a><br><a href="mailto:Jill.cunningham@mccd.edu">Jill.cunningham@mccd.edu</a> | 1-209-201-9086<br>and 1-209-381-6470 |
| Orange County Business Council  | Orange County               | Jesse        | Ben-Ron                  | <a href="mailto:ibenron@ocbc.org">ibenron@ocbc.org</a>   | 1-714-262-6472                       |
| Charitable Ventures   | Orange County               | Susan        | Johnson                  | <a href="mailto:susan.johnson@charitableventuresoc.org">susan.johnson@charitableventuresoc.org</a>   | 1-714-597-6630<br>ext. 123           |
| Santiago Community College District (RSCCD)                               | Orange County               | Sarah        | Santoyo                  | <a href="mailto:Santoyo_Sarah@rscdd.edu">Santoyo_Sarah@rscdd.edu</a>   | 1-714-480-7466                       |
| Arcata Economic Development Corporation                                   | Redwood Coast               | Ursula       | Bischoff                 | <a href="mailto:Ursula@aedc1.org">Ursula@aedc1.org</a>   | 1-415-971-1164                       |
| Center for Workers' Rights  | Sacramento                  | Jahna        | Morehouse                | <a href="mailto:jahna@rightscenter.org">jahna@rightscenter.org</a>   | 1-916-905-5857                       |
| Valley Vision, Inc  | Sacramento                  | Isa          | Avancena                 | <a href="mailto:isa.avancena@valleyvision.org">isa.avancena@valleyvision.org</a>   | 1-916-325-1630                       |
| Comite Civico del Valle, Inc.   | Southern Border             | Christian A. | Torres                   | <a href="mailto:christian@ccvhealth.org">christian@ccvhealth.org</a>   | 1-760-790-6112                       |
| Main Street America   | Southern Border             | Jenna        | Temkin                   | <a href="mailto:JTemkin@savingplaces.org">JTemkin@savingplaces.org</a>   | 1-312-939-5567                       |
| San Diego Regional Policy & Innovation Center (PIC)                       | Southern Border             | Shalini      | Vajjhala                 | <a href="mailto:svajjhala@sdrpic.org">svajjhala@sdrpic.org</a>   | 1-619-786-1302                       |
| Vantage Point   | Southern Border             | Luke         | Vogt                     | <a href="mailto:luke@usevantagepoint.com">luke@usevantagepoint.com</a>   | 1-415-613-5930                       |

# LISTENING SESSIONS HELP REGIONS PREPARE (Slide 9 of 9)

Information from completed Listening Sessions with slide desk, highlight summary, and recording:

- Redwood Coast – [December 17, 2021](#)
- Eastern Sierra – [January 18, 2022](#)
- San Joaquin Valley – [January 31, 2022](#)
- Orange County - [March 11, 2022](#)
- Inland Empire – [March 18, 2022](#)

**Sign-Up to Be notified of Upcoming Sessions:**

<https://cafwd.org/cerf/cerf-sign-up/>

These sessions are being supported by the **Irvine Foundation.**

- **Nonprofit CERF Webpage:** <https://cafwd.org/cerf/> (used by California Forward and PolicyLink. This also includes recordings of prior listening sessions.
- **Key Connections for Listening Sessions:**
  - Ish Herrera at [ish@cafwd.org](mailto:ish@cafwd.org) and Chione Flegal [chione@policylink.org](mailto:chione@policylink.org)
- **CERF News Updates:** <https://cafwd.org/cerfnews/>





# INFORMATION SHARING OF ECONOMIC RECOVERY PROPOSALS

Agenda Item V

# FOCUS AREAS

- ❑ Economic Recovery Proposals – Under Discussion
- ❑ Recommendations from Reports



# SPEAKERS — AGENDA ITEM V

- Toni Symonds with the JEDE Committee will facilitate this agenda item.
- Eric Flores with [JFF](#) discussing their new briefing on inclusive regional development.

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

# JFF RELEASES RECOMMENDATIONS FOR INCLUSIVE REGIONAL ECONOMIC DEVELOPMENT

*“California’s opportunity for greater economic inclusion and prosperity lies in the ability of its public- and private sector leaders to work across systems, silos, jurisdictions, and communities...The systemic problems the state faces cannot be solved without collaboration and true community partnership...Equitable system redesign requires that programs and policies be shaped by, and accessible to, the populations that have been historically excluded from sharing the benefits of economic growth.”*

- **Fund the capacity of local actors to work regionally:** This may include, but it not limited to funding cross-sector leadership development where leaders acquire the skills necessary to work across historically silo institutions and allowing grant funds to be used to backfill time dedicated to regional initiatives.
- **Direct resources to organizations with pre-existing ties to underserved community members:** CBO can serve as a critical bridge to historically excluded populations, however, public and private institutions often struggle “engage CBOs in a meaningful way, relying on focus groups or listening sessions to ‘consult’ or ‘inform’ community members rather than including them as designers and decision makers... Rather than relying on CBOs to assimilate to existing planning processes that are not designed for their participation, dedicated funding is needed to restructure how public and private institutions can create the conditions for authentic community participation.”
- **Design regional investments around place-based and population-specific strategies:** “Equity-centered regional initiatives must begin with critical inquiry and analysis to establish a shared understanding of regional assets along with factors contributing to inequities. Building on this foundation, regions can engage in an inclusive action planning process to design and pilot differentiated strategies.”
- **Fund regional intermediary infrastructure, which allows regions to leverage existing collaborations:** State investments should prioritize deepening the capacity of existing collaborative efforts and include the flexibility for them to evolve to gain new partners.



## Restore Small Business America One Sheet

It has never been timelier to invigorate and support small business in the U.S. Many small businesses have been hard hit by the COVID-19 pandemic. Small business employs half of the American workforce and make up nearly half of U.S. GDP. The key to recovery for America's economy lies in the health of small business. We propose an increase in opportunity for small business to work with the Federal government by streamlining the processes for small business. Here are some of our proposed changes:

- Increase small business set asides from 5% to 40% and increase goals for all designations.
- Stop bundling of government contracts that are consistently awarded to a small number of primes thereby reducing the opportunity for small business direct bid;
- Increase the number of PCRs (small business advocates for more small business set asides);
- Stop outsourcing of federal contracts to large primes who transfer the business overseas;
- Use of factoring to support small business via "non-profit" organizations as a passthrough from SBA (this could be in addition to SBA loans or in lieu of SBA Loans);
- Help subsidize small business with cost prohibitive specialty certifications that are a barrier to eligibility or bidding government contracts (i.e., Cybersecurity certification - CMMC, CMMI, NIST DFARS Clause 252.204-7020, NIST 800-171, ISO);
- Provide more support with teams of small business for the opportunity to bid on large contracts;
- Possible VMS model for IT and professional support to allow for more small business participation;
- Expedited accounts receivable to small business with a (15-30) day net pay for services rendered;
- A simplified RFP process with the ability to accept commercial experience in lieu of past performance if small business is new to the process;
- Address lack of diversity in federal contracting; and
- Equitable access to OTA (Other Transaction Authority) opportunities, currently now specifically allocated to Large Businesses, to help start and grow small business.

### Authors:

Allison Allain, GC and CEO - PCI Builders; WBE, SBE, DBE  
Charlotta Carter, President and CEO - GRI Technology Solutions, LLC; SBE, WOSB, EDWOSB, MWBE, CPUC  
Cert, CA DGS MSA & CMAS  
Antonette Vanasek, President - Vanasek Insurance Services, Inc.; MBE, DBE, WBE  
Apryl Stewart, President and CEO - Skyview Concessions, Inc.; ACDBE, MBE, WBE  
Dr. Jennifer Charles, PhD, Owner - Building Block Resolutions, Inc.; WBE, MBE, WMBE, AABE, LSBE, SBE, DBE  
Mervain Cutler, President and CEO - Cutler Engineering & Technology Services; SBA 8(a), SDVOSB  
Louis Hirsch, President - Parker Lighting, Inc.; SBE, LSBE

# 2022 JEDE HEARING SCHEDULE

- March 29, 2022 - Informational Hearing: Oversight of economic and business development programs within JEDE's jurisdiction – "State Small Business Credit Initiative and Inclusive Economic Growth." This joint hearing is being held at 1:30 pm in room 447 of the State Capital.
- March 31, 2022 - Legislative Hearing: Assembly Bills (*double referrals to other committees*) This hearing is being held upon adjournment of session in Room 127 of the State Capital.
- April 26, 2022 - Legislative Hearing: Assembly Bills (*fiscal & non-fiscal deadlines hearing*)
- June 7, 2022 – Election Day in California – no hearings
- June 21, 2022 - Legislative Hearing: Assembly resolutions and Senate Bills (*fiscal & non-fiscal deadlines hearing*)
- August 2022 - 77.2 Hearings - Bills that are substantially amended in the State Senate may be referred to a policy committee prior to being heard for a concurrence vote on the Assembly Floor.

# UPDATE ON BILLS WHICH PASSED JEDE AND STILL ALIVE

- **AB 1072 (Reyes) Small Business and DVBE Procurement Opportunities:** This bill reinforces the ability of the DGS Office of Small Business and DVBE Services to work with awarding departments on certification of small businesses and DVBEs and targeted outreach for upcoming disaster-related contracts. The bill also creates a more decisive programmatic relationship between the state's small business procurement advocates and the statewide network of 80+ small business technical assistance centers which participate in the Small Business Technical Assistance Enhancement Program. *Status:* Pending in Senate Committee on Appropriations.
- **AB 1106 (Cervantes and Reyes) Workforce Training for Small Businesses:** This bill establishes a pilot project through the Employment Training Panel for the purpose of enhancing the ability of a regionally-focused statewide business training center network to work hand-in-hand with business leaders, small business service providers, as well as other workforce partners, to get people back to work. The 2021-22 state budget included a \$15 million appropriation that aligns with this request. *Status:* Pending in the Senate Committee on Appropriations.
- **AB 1110 (R. Rivas) Zero-Emission Fleets:** This bill establishes the position of the Clean Vehicles Ombudsperson for the purpose of gathering stakeholder input and supporting the Department of General Services (DGS) in developing and issuing statewide contracts or leveraged procurement agreements for use by public agencies to purchase zero-emission fleet vehicles, as defined. *Status:* Pending in Assembly Inactive File.
- **AB 1573 (JEDE) Small Business Retention Program:** This bill establishes a supplemental grant program within the Small Business Technical Assistance Expansion Program for the purpose of supporting local small business retention programs. *Status:* Pending in the Senate Committee on Appropriations.
- **AB 2019 (Petrie-Norris) Small and Disadvantaged Business Enterprises:** Codifies a 25% small business goal for state procurement and proposes a number of actions to enhance the ability and commitment of state agencies to include small businesses, disadvantaged business enterprises (DBEs), and disabled veteran business enterprises (DVBEs) in state contracting. *Status:* Pending in the Senate Committee on Appropriations. [nonprofit sponsor Link](#)

- **AB 2314 (Petrie-Norris) Predatory Lending and SSBCI Programs:** This bill establishes a task force to review and the state's administration of the Small Business Loan Guarantee Program and the California Capital Access Program make recommendations related to specified fair lending practices. *Status:* Pending in the Senate Committee on Appropriations.
- **AB 2342 (Cervantes) Community Economic Resilience Fund Program:** This bill updates the \$600 million California Economic Resilience Fund Program (CERF) Program to reflect best economic development practices and provide statutory assurances of inclusive regional community development plans. *Status:* Pending on the Senate Floor.
- **AB 2873 (Jones-Sawyer) Supplier and Contractor Diversity:** Requires housing sponsors who receive a Low Income Housing Tax Credit allocation on or after January 1, 2024 to annually report on the diversity of the suppliers and contractors, as specified. *Status:* Pending in the Senate Committee on Appropriations.
- **AB 2972 (JEDE) California Business Investment Services(CalBIS):** This bill expands the role of CalBIS to include working with public and private investors who may want to make business investments in California. The bill also adds economic developer and workforce training partners to the list of local and regional groups that GO-Biz and CalBIS engage when helping businesses and investments grow and be successful in California. *Status:* Pending on the Senate Floor.
- **AB 2974 (JEDE) Federal Infrastructure Funding and CA Small Businesses:** This bill establishes a 25% small business participation goal in all contracts financed, in whole or in part, with specified funding in the Federal Infrastructure Investment and Jobs Act (IIJA). Departments may waive this requirement in cases where the federal law precludes small business participation or if compliance with these requirements would make the state's application for a competitive program less competitive than other eligible applicants. *Status:* Pending in the Senate Committee on Appropriations.



- **SB 625 (Caballero) California Investment and Innovation Program:** This bill establishes the California Investment and Innovation Program, administered through the IBank, for the purpose of providing an ongoing source of revenues to community development financial institutions, which are community-based organizations that are certified by the US Treasury to meet the needs of individuals, businesses, and communities who are underserved by traditional financial institutions. *Status:* Pending in Assembly Committee on Appropriations.
- **SB 808 (Roth) Made in California Label:** This bill modifies the Made in California Program by removing the requirements that the finished product could lawfully use the “Made in USA” label, and that a qualified third party verify that the company and labeled products meet the requirements of the state program. The bill retains the requirement for re-certification every three years; however, the company would now be allowed to self-certify their compliance. Enforcement of potential fraudulent activity under the Consumer Legal Remedies Act is also retained, which allows an individual or group of individuals to seek damages through the civil courts. *Status:* Pending in Assembly Committee on Appropriations.
- **SB 1104 (Gonzalez) Office of Freight :** This bill establishes the Office of Freight within GO-Biz to serve as the coordinating entity for issues related to growth, competitiveness, and sustainability of freight movement. *Status:* Pending in Assembly Committee on Appropriations.
- **SB 1325 (Gonzalez) California Techquity Innovation Program:** This bill requires GO-Biz to establish a California Techquity Innovation Program, which support underserved and underrepresented entrepreneurs, technology accelerators, incubators, fully accredited institutions of higher education, local governments, and public-private partnerships that support, advise, and uplift underrepresented entrepreneurs. *Status:* Pending in Assembly Committee on Appropriations.
- **SB 1407 (Becker) Employee-Owned Businesses:** This bill, subject to appropriation, establishes the California Employee Ownership Hub, within the Office of Small Business Advocate, for the purpose of working with internal and external stakeholders. *Status:* Pending in Assembly Committee on Appropriations.



# FINAL COMMENTS AND ADJOURNMENT

Agenda Item VI

# 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:

- Subscribe to OSBA's Newsletter: <https://calosba.ca.gov/newsroom/>
- 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 @OSBA on Twitter: <https://twitter.com/OSBA>
- Follow @Cal\_OPR on Twitter: [https://twitter.com/cal\\_opr?lang=en](https://twitter.com/cal_opr?lang=en)
- Subscribe to the GO-Biz YouTube Channel: <https://www.youtube.com/channel/UCregW8KZRE4k1sXVZs2bPxw>
- Submit questions to the California Business Investment Service: [calbis@gobiz.ca.gov](mailto:calbis@gobiz.ca.gov)
- Submit questions regarding the Opportunity Zones and Promise Zones: [zones@gobiz.ca.gov](mailto:zones@gobiz.ca.gov)



# CALIFORNIA BUSINESS COMEBACK GUIDE

JANUARY, 2022

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

GAVIN NEWSOM, GOVERNOR

DEE DEE MYERS, DIRECTOR

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<https://static.business.ca.gov/wp-content/uploads/2021/12/GO-Biz-California-Comeback-Guide-1-13.pdf>

The brochure includes email contact information for each program.

Sample  
Page

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

# JEDE COVID-19 AND ECONOMIC RECOVERY ACTIVITIES

**Inclusive Economic Recovery Roundtables:** JEDE Chair, Assemblymember Sabrina Cervantes, is sponsoring monthly online discussions where stakeholders share program and service delivery innovations and challenges within a supportive collaborative environment of community, business, economic, and workforce development organizations.

**JEDE Updates:** JEDE publishes economic and business development updates for professionals engaged in meeting the needs of small businesses and local communities. To join the distribution list, email [ajed@asm.ca.gov](mailto:ajed@asm.ca.gov)

## Resource Webpages:

- JEDE COVID-19 Resource Page: <https://ajed.assembly.ca.gov/content/covid-19-resources>
- Background Materials from Inclusive Economic Recovery Roundtables: <https://ajed.assembly.ca.gov/content/jede-july-2022-roundtable>

**Contact JEDE:** 916-319-2090 or [toni.symonds@asm.ca.gov](mailto:toni.symonds@asm.ca.gov)