



SMALL BUSINESS ROUNDTABLE

JULY 15, 2021

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



WELCOME AND OVERVIEW

Agenda Item I

AGENDA

- I. Welcome and Overview
- II. Economic Data
- III. Implementation of Economic Recovery Programs
- IV. Information Sharing of Economic Recovery Proposals
- V. Final Comments and Adjournment

JEDE CHAIR ASSEMBLYMEMBER SABRINA CERVANTES

- Elected to the Assembly in 2016.
- Served on the JEDE Committee for three terms, including two as Chair.
- During the COVID-19 pandemic, Sabrina is focusing the Assembly Jobs Committee on tracking and disseminating information to stakeholders about resources available to help keep small businesses open and workers employed.
- The Assembly Jobs Committee regularly convenes stakeholder groups to exchange information, collaborates on small business outreach projects, and maintains a webpage with information about resources, free webinars, and recovery activities in California. <https://ajed.assembly.ca.gov/content/covid-19-resources>



REFLECTIONS ON CALIFORNIA'S RE-OPENING

It has been a challenging 16 months.

Working together – we have helped our communities endure.

We have lost family members, friends, and valuable community members since the start of the pandemic.

We have experienced the significant layoff of workers and the closure of businesses.

Throughout these tragic events, we have also seen new partnerships, innovations, and members of our community going above and beyond their “job descriptions.”

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

- California is forecasted to [outpace the country's economic recovery](#), ranked as the [No. 1 U.S. economy](#) for “expanding GDP, raising household income, investing in innovation,” and more.
- California has created [more jobs](#) than any other state for three months in a row, adding 385,000 jobs; in April alone, California created 38% of the nation's jobs.
- More than [40 million vaccinations](#) have been administered in California, surpassing the next closest state by 16 million, with over [70 percent](#) of adults having at least one shot. For Full Press Release, [click here](#).



ECONOMIC DATA

Agenda Item II

DATA POINTS

FEDERAL Unemployment – 5.9% (June 2021)

- ❖ US nonfarm payroll employment increased by 850,000 in June 2021, and the unemployment rate was 5.8% with 9.5 million people unemployed.
- ❖ Greatest job growth in June occurred in leisure and hospitality, public and private education, professional and business services, retail trade, and other services.
- ❖ The June 2021 unemployment rates: 9.9% for Teenagers, 5.5% Adult Women, 5.9% Adult Men, 9.2% for Blacks, 7.4% for Hispanics, 5.8% for Asians, and 5.2% for Whites.
- ❖ The labor force participation rate was 61.6%, 1.7% lower than February 2020.
- ❖ There were 6.4 million persons not in the US labor force who currently want a job, 393, 000 higher than in February 2020.

CALIFORNIA Unemployment – 7.9% (May 2021)

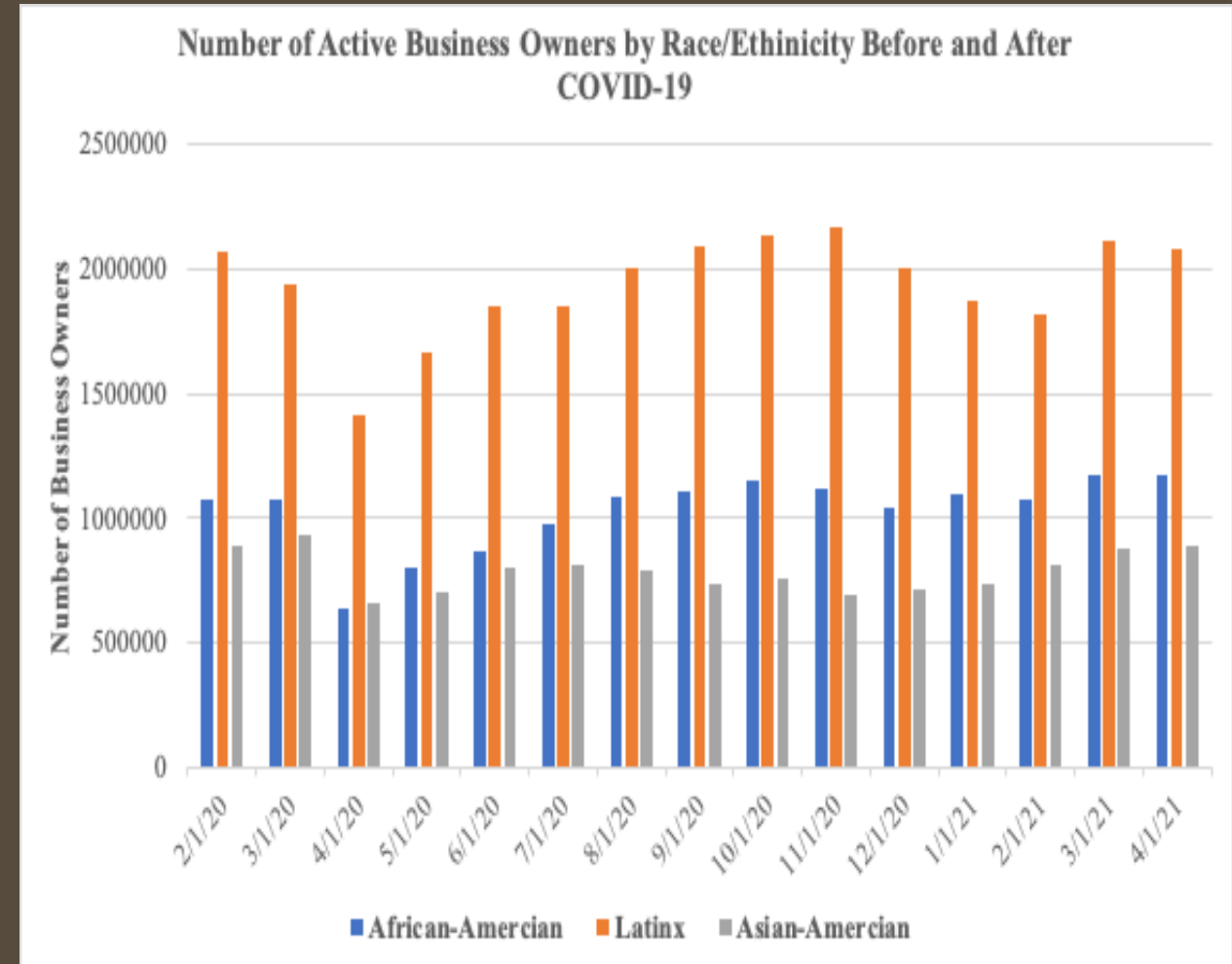
- ❖ Total nonfarm employment in CA for May 2021 was 117.4 million, reflecting an increase of 40,000 jobs from the prior month, up 12.2% from the prior year.
- ❖ CA reported over 1.49 million unemployed individuals for the month of May 2021, this is 48% lower than May 2020. The labor participation rate of 60.8% - represents an increase of 1.6% from the prior year.
- ❖ Between May 2020 to May 2021, CA employment was up by 1.8 million workers.
- ❖ May 2021 unemployment rates: 21.3% for Teenagers, 13.6% for Blacks, 11.0% for Hispanics, and 9.4% for Whites.
- ❖ 43.3% of the people who filed for some form of unemployment-related benefits, in the week ending June 19, 2021, only had a GED, high school diploma, or less formal education.
- ❖ \$156.6 billion paid to out-of-work Californians since start of pandemic.
- ❖ Over 1 million people (5.9% of all workers) worked part time involuntarily, also called “for economic reasons.” This is a 43% increase from May 2020.

DR. ROBERT FAIRLIE UPDATE

(JULY 12, 2021, SMALL BUSINESS SELECT COMMITTEE)

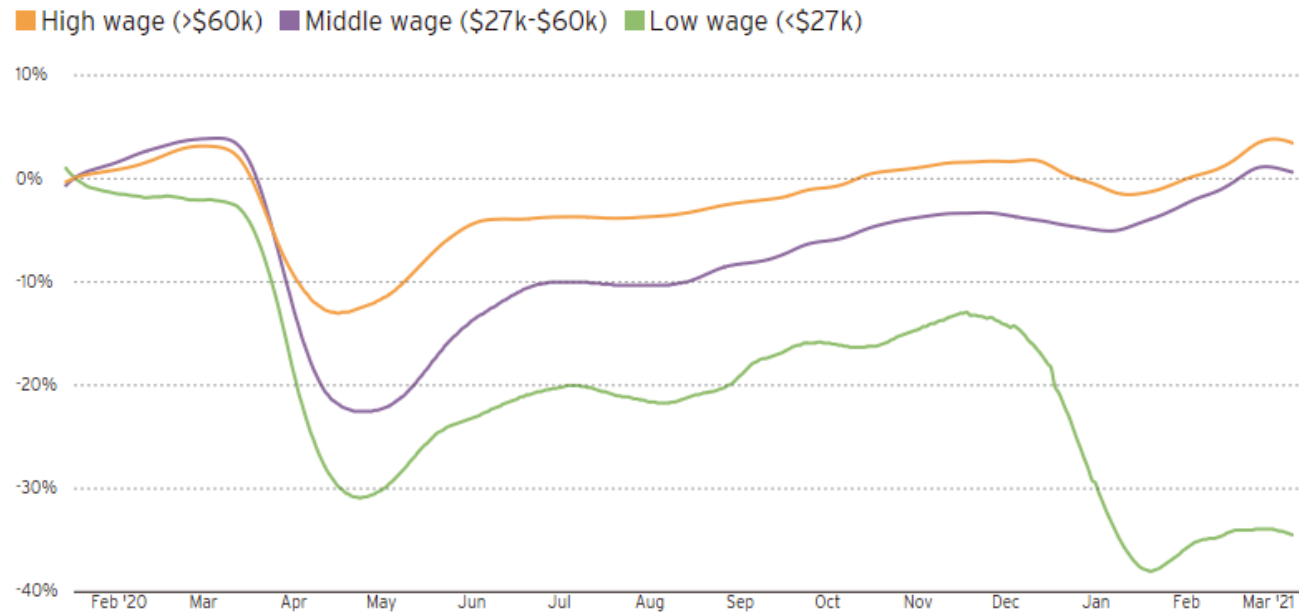
April Small Business Owner Data

- African-American small business owners in the US increased 9,171 – 1,178,778 total.
- Latinx small business owners in the US decreased 42,240 - 2,076,566 total.
- Asian-American small business owners in the US increased by 7,741 – 884,249 total.
- White small business owners in the US increased by 167,260 – 10,258,991 total.



LOW-WAGE WORKERS WERE MOST LIKELY TO LOSE THEIR JOBS DURING THE PANDEMIC

While middle- and high-wage workers have begun to recover employment, low-wage workers have not. This chart shows employment change since January 2020.



Source: [Opportunity Insights](#)

TRACKING VARIANTS

B.1.1.7 (Alpha) variants are associated with approximately 50% increased transmission, and likely with increased disease severity and risk of death. Appears to have minimal impact on the effectiveness of treatments with antibodies.

B.1.351 (Beta) variants are associated with approximately 50% increased transmission. May have moderately decreased response to antibody treatments.

P.1 (Gamma) variants may have moderately decreased response to some antibody treatments.

B.1.617.2 (Delta) variants are associated with increased transmission. May have moderately decreased response to antibody treatments. (Delta totals include Delta sub-lineages AY.1 and AY.2)

Known Variants of Concern in California

Variant (WHO Name)	Number of Cases Caused by Variant
B.1.1.7 (Alpha)	10,942
B.1.351 (Beta)	133
P.1 (Gamma)	1,774
B.1.617.2 (Delta) includes sublineages B.1.617.2.1 (AY.1) and B.1.617.2.2 (AY.2)	1,085

Source: Data for July 7, 2021

<https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/COVID-Variants.aspx>



IMPLEMENTATION OF ECONOMIC RECOVERY PROGRAMS

Agenda Item III



FOCUS AREAS

- ❑ Updates on Approved Economic Recovery Initiatives
- ❑ Strategies to Improve Program Delivery

KEY RECOVERY CHALLENGES IN 2021

- ❑ Small businesses, especially women- and BIPOC-owned businesses, must be a priority in the state's recovery efforts. Data continues to suggest these businesses are having the greatest challenges in accessing technical and financial assistance.
- ❑ Many of the state's smallest businesses are not aware of assistance or find the documentation necessary to apply a significant barrier.
- ❑ Small businesses are finding it difficult to meet prime contractors who may be bidding on state contracts.
- ❑ COVID-19 is amplifying old business operation challenges, including local broadband capacity, access to capital, and the cost of meeting regulations.
- ❑ With the economy reopening, many small businesses face the payment of back rent while struggling to re-open.
- ❑ The variety of programs and resources make it difficult for businesses and workers to know where to start. The state lacks a unifying vision that aligns resources and supports collaborative delivery systems.

SPEAKERS — AGENDA ITEM III

- ❑ Toni Symonds, JEDE Committee, will facilitate our discussion
- ❑ Jessica Gonzales with the Economic Development Department at City of Corona and **CALED Board member**
- ❑ Heidi Pickman with CAMEO
- ❑ Lorrie Aiello with CMTC
- ❑ Claudia Viek with the Invest in Women Entrepreneurs and the California Women's Business Center Network www.californiawbc.org

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



- LOCAL ECONOMIES WERE DECIMATED BY THE PANDEMIC. NOW CALIFORNIA CITIES ARE ROLLING OUT THEIR BLUEPRINTS FOR RECOVERY.

LEAGUE OF CALIFORNIA CITIES VIDEO WITH THE TOP 10 ECONOMIC DEVELOPMENT PRIORITIES FOR LOCAL RECOVERY

CALED
UPDATE



PROGRAMS WE ARE TRACKING

Approved Programs & Initiatives

TRACKING IMPLEMENTATION OF NEW AND FOLLOW-ON PROGRAMS

- Federal Stimulus Bills: \$900 million COVID Relief Act and \$1.4 billion Omnibus Appropriation Act - signed December 2020
- \$1.9 trillion Biden American Rescue Plan – signed into law on March 11, 2021
- \$7.6 billion Early Action Budget Agreement to provide relief to Californians experiencing pandemic hardship, including \$2.1 billion for small businesses – signed into law February 23, 2021
- California \$6.2 billion tax cut to small business – signed into law April 29, 2021
- California State Budget for 2021-22 – Package signed July 12, 2021 [Also see Slide 34]

TRACKING IMPLEMENTATION OF STATE SMALL BUSINESS RESOURCES

- ❑ \$4.0 billion Small Business Grant Program. Qualifying small businesses and nonprofits can receive awards of up to \$25,000. [\\$1.5 billion added in 2021-22 Budget](#)
- ❑ \$200 million Main Street Tax Credit <https://www.ftb.ca.gov/file/business/credits/small-business-hiring-credit.html> \$100 million in 2021-22 Budget
- ❑ \$120 million new capitalization for the Small Business Disaster Loan Guarantee Program.
<https://www.ibank.ca.gov/small-business/disaster-relief/> \$20 million approved in 2021-22 Budget
- ❑ \$12.5 million added to the California Rebuilding Fund, which provides capital to support small business loans. Estimated to provide \$125 million impact. <https://www.connect2capital.com/p/californiarebuildingfund/> \$50 million in 2021-22 Budget that could be used for Rebuilding Fund
- ❑ \$65 million Seed Grant Programs to assist aspiring entrepreneurs from economically disadvantaged groups <https://etp.ca.gov/grants/> \$10 million awarded in early 2021 - \$35 million in 2021-22 Budget for Office of the Small Business Advocate - \$20 million in the 2021-22 Budget for the Employment Training Panel.

SB 148 (SENATE BUDGET) DROUGHT CONTRACT RELIEF

(SIGNED JULY 12, 2021)

- Provides temporary flexibility, until January 1, 2024, in providing interim relief during a drought scenario with funds appropriated in the budget. This bill allows a drought scenario to be declared by the Governor or the State Water Resources Control Board (SWRCB). To the extent feasible, SWRCB shall conduct a public hearing on the proposed drought scenario and proposed actions.
- The eligible interim relief covers: hauled water, temporary community water tanks, bottled water, water vending machines, emergency water interties, new wells or rehabilitation of existing wells, construction of connections to adjacent water systems, recycled water projects, or other projects that provide immediate drought response, and fish and wildlife protection.
- This temporary flexibility includes exemptions from the Administrative Procedure Act, public contacting code requirements, and declares these projects eligible for an existing California Environmental Quality Act (CEQA) exemption for emergency projects.
- Impacts the Office of Emergency Services, Natural Resources Agency, Department of Food and Agriculture, Environmental Protection Agency, the Health and Human Services Agency, and any offices or departments under those agencies.

BIDEN AMERICAN RESCUE PLAN

[HTTPS://WWW.HKLAW.COM/-](https://www.hklaw.com/-/media/files/insights/publications/2021/03/americanrescueplankeyprovisions.pdf?la=en)

[/MEDIA/FILES/INSIGHTS/PUBLICATIONS/2021/03/AMERICANRESCUEPLANKEYPROVISIONS.PDF?LA=EN](https://www.hklaw.com/-/media/files/insights/publications/2021/03/americanrescueplankeyprovisions.pdf?la=en)

\$1.9 trillion set of actions to combat the economic downturn and the COVID-19 pandemic. Key elements include:

- \$350 billion would help state and local governments bridge budget shortfalls, including funding to retain essential public workers, including police officers, firefighters, nurses, and educators
- \$2,000 in direct payments to individuals and households calibrated by income. (\$1,400 + \$600 Dec bill)
- Extended unemployment insurance and \$400 UI weekly supplement
- Small business assistance, including minority- and women-owned small businesses. Both debt and grants are envisioned
- Increase the federal minimum wage to \$15 an hour
- Federally mandated paid leave for workers
- Strategies to spur more manufacturing in the USA
- New investments in research and development to support innovation
- Funding infrastructure to address competitiveness and climate



INFORMATION SHARING OF ECONOMIC RECOVERY PROPOSALS

Agenda Item IV

FOCUS AREAS

- ❑ Public Policy Priorities for 2021
- ❑ Economic Recovery Proposals – Under Discussion
- ❑ Recommendations from Reports



SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds, JEDE Committee, will facilitate this discussion.
- ❑ Charlotta Carter with the GRI Technology Solutions, Inc, on the Restore Small Business America

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

TRACKING NEW AND ONGOING ISSUES

- American Jobs Plan - \$2 trillion in infrastructure, workforce, and small business procurement opportunities.
- INVEST in America (HR 3684) passed the US House of Representatives on July 1, 2021. The bill approves a \$715 billion surface transportation and water infrastructure bill.
<https://www.congress.gov/bill/117th-congress/house-bill/3684?s=2&r=1>
- Bipartisan Infrastructure Framework provides \$1.2 trillion for infrastructure development and is part of the Administration's Build Back Better vision. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/24/fact-sheet-president-biden-announces-support-for-the-bipartisan-infrastructure-framework/>
- State Small Business Credit Initiative – CA formula allocation \$895 million.
- Finishing up of the State Budget – According to Jason Sisney, Speaker's Budget Consultant, responding to questions regarding Budget Juniors. There will be a few more budget trailer bills in August, September, and early 2022. "These bills clarify, correct, and amend prior budget actions."

LOSS OF CARES ACT FUNDING

Sections 1103, 1107 and 1108 of the CARES Act (Coronavirus Aid, Relief and Economic Security Act) provides \$240 million in funding to small business development centers, \$25 million in funding to women's business centers, and \$10 million in funding to minority business centers and chambers of commerce, for education, training and advice to their members.

- Funding announcement was made in April 2020 for use during base budget year period of April 1, 2020, through March 31, 2021.
- There was an option year budget period of April 1, 2021, through September 30, 2021

[Funding Opportunity Announcement No. OSBDC-COVID-2020-1 \(sba.gov\)](#)



*...Securing economic equity and entrepreneurial opportunities for women by fostering collaboration and generating resources to build the capacity of its members.
californiawbc.org*

July 15, 2021

TO: JEDE Small Business Roundtable

FROM: Claudia Viek, Advocacy Director, CA WBC Network

RE: ESTIMATED IMPACT FROM LOSS OF CARES ACT TA FUNDING

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

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

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

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

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

STATE SMALL BUSINESS CREDIT INITIATIVE (SLIDE 1 OF 2)

- The American Rescue Plan Act of 2021 included \$10 billion for the reauthorization of the State Small Business Credit Initiative (SSBCI), which was initially created in 2010, to strengthen state programs that support financing of small businesses. In 2010, California received \$168 million from the SSBCI, and the funds were split equally between the California Infrastructure and Economic Development Bank (IBank) and the State Treasurer's Office. California operated three of the five SSBCI authorized programs, the California Capital Access Program for Small Business, California Capital Access Program Collateral Support at California Pollution Control Finance Authority, and the Small Business Loan Guarantee Program that is now administered by IBank.
- On April 9, 2021, the U.S. Treasury released a by-state allocation of the first \$6.2 billion of the \$10 billion appropriated, and California is estimated to receive \$895 million in three tranches as the funds are used. The U.S. Treasury is still developing their guidance for programs and anticipates rolling that out over the next two to six months. All states are required to submit a program application by December 11, 2021. The IBank has established an SSBCI working group in anticipation.
- Recommendations for lender partners and capital access ideas: SSBCI@ibank.ca.gov

STATE SMALL BUSINESS CREDIT INITIATIVE (SLIDE 2 OF 2)

Under the formula allocation, CA is eligible for \$894.7 million (14.3% of total allocation)

Program Timeline

April 9 – US Treasury announces allocation amounts for CA

May 10 – CA must provide notice to the US Treasury that we are interested in applying for SSBCI

May 10 – US Treasury announces allocation amounts for Tribal governments

June 11 – Tribal governments must provide notice to the US Treasury of their interest in SSBCI

Early Summer – US Treasury Releases Guidelines

December 11 – CA submits a plan to the US Treasury on how they propose to spend \$894 million.

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



BACKGROUND NOTES OF MAJOR INITIATIVES

Updated as new information
becomes available

BIDEN'S \$2 TRILLION AMERICAN JOBS PLAN (SLIDE 1 OF 2)

- \$621 billion on roads, bridges, public transit, rail, ports, waterways, airports, and electric vehicles to improve air quality, reduce congestion, and limit greenhouse gas emissions
- \$400 billion to bolster caregiving for aging and disabled Americans
- \$300 billion toward boosting manufacturing, specifically semiconductor, medical, and clean manufacturing
- \$213 billion toward building, renovating, and retrofitting over two million homes and housing units
- \$180 billion to advance US leadership in critical technologies, upgrade research infrastructure, and establish the US as a leader in climate science, innovation, and research and development
- \$111 billion to rebuild water infrastructure and replace all the nation's lead pipes and service lines

BIDEN'S \$2 TRILLION AMERICAN JOBS PLAN (SLIDE 2 OF 2)

- \$100 billion to build new public schools and upgrade existing buildings, and \$12 billion to states to use towards infrastructure needs at community colleges
- \$100 billion in order to give every American access to affordable, reliable, and high-speed broadband
- \$100 billion to workforce development to help dislocated workers, assist underserved groups, and get students on career paths before they graduate high school
- \$18 billion to modernize the Veterans Affairs' hospitals and \$10 billion to modernize federal buildings

Proposal would be paid for by raising corporate tax to 28% and the global minimum tax to 21%, placing a 15% levy on book income for the largest corporations, and corporate inversions.

FEDERAL INFRASTRUCTURE PROPOSALS

- The US House of Representatives passed HR 3684 on July 1, 2021, which approves a \$715 billion surface transportation and water infrastructure bill.

<https://www.congress.gov/bill/117th-congress/house-bill/3684?s=2&r=1>

- The legislation, entitled the Investing in a New Vision for the Environment and Surface Transportation in America (INVEST in America) Act, has different provisions than the bipartisan Senate proposal.

- President Biden visited US Capitol to help advance a [\\$3.5 trillion spending package](#) via budget reconciliation. Also included is a nearly \$580 billion bipartisan infrastructure agreement.

White House previously announced their support for the [Bipartisan Infrastructure Framework](#).

The \$1.2 trillion Bipartisan Infrastructure Framework is a critical step in implementing President Biden's Build Back Better vision.

The White House fact sheet:

(<https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/24/fact-sheet-president-biden-announces-support-for-the-bipartisan-infrastructure-framework/>).

The Community Development Finance Authorities also produced a fact sheet

[https://www.cdfa.net/cdfa/cdfaweb.nsf/0/B2B10BBEE484261E882586FB006430E1/\\$file/bipartisan-infrastructure-framework-two-pager-final-7.pdf](https://www.cdfa.net/cdfa/cdfaweb.nsf/0/B2B10BBEE484261E882586FB006430E1/$file/bipartisan-infrastructure-framework-two-pager-final-7.pdf).



2021-22 BUDGET

KEY LINKS

(SLIDE 1 OF 9)

- **AB 128 (Ting) Budget Bill Text:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB128
- **Senate Budget Committee Bill Analysis of AB 128:**
https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/June_14_2021_Hearing_Agenda.pdf
- **SB 147 — 2020 Budget Bill Jr. Text:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB147
- **SB 129 — 2021 Budget Jr:** [Bill Text - SB-129 Budget Act of 2021. \(ca.gov\)](#)
- **SB 161 — 2021 Budget Jr 2:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB161
- **AB-164 — 2021 Budget Bill Jr. 3:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB164

2021 Budget Bill List				
Bill	Description	Presented to Governor	Chapter No., Statutes of 2021	Budget Bill or Prop. 25 "Bill Related to the Budget"?
AB 128	Budget Act of 2021	6/14/2021	21	Yes
SB 152	Elections	6/28/2021	34	Yes
SB 142	State employee MOUs	6/29/2021	39	Yes
SB 147	2020 Budget Bill Jr. (Supplemental Appropriations)	6/29/2021	40	Yes
SB 159	CCPOA MOU	7/1/2021	42	Yes
AB 130	Education	7/8/2021	44	Yes
AB 161	Budget Bill Jr. II	7/8/2021	43	Yes
SB 129	Budget Bill Jr.	6/28/2021	69	Yes
SB 139	Golden State Stimulus 2.0	6/30/2021	71	Yes (2/3rds vote)
AB 141	Cannabis I	7/5/2021	70	Yes (2/3rds vote)
SB 146	Correctional facilities	6/30/2021	72	Yes
SB 151	Economic development/small business	7/6/2021	74	Yes
SB 158	Hazardous wastes: toxic substances control	6/30/2021	73	Yes (2/3rds vote)
AB 134	Mental health services	7/5/2021		Yes (2/3rds vote)
AB 136	Developmental services	7/5/2021		Yes
AB 137	General government	7/5/2021		Yes
AB 138	Labor	7/5/2021		Yes
AB 143	Courts	7/5/2021		Yes
AB 145	Public safety	7/5/2021		Yes
AB 149	Transportation	7/5/2021		Yes
AB 150	Revenue and taxation	7/5/2021		Yes
SB 157	Crime prevention: enforcement and training	7/6/2021		Yes
AB/SB 164	Budget Bill Jr. III	Not passed yet		Yes
AB/SB 131	Child care	Not passed yet		Yes
SB/AB 132	Higher education	Not passed yet		Yes
AB/SB 133	Health	Not passed yet		Yes
AB/SB 135	Human services	Not passed yet		Yes
AB/SB 140	Housing/homelessness	Not passed yet		Yes
AB/SB 148	Resources	Not passed yet		Yes
AB/SB 153	Child welfare	Not passed yet		Yes
AB/SB 156	Communications: broadband	Not passed yet		Yes
AB/SB 160	Cannabis II	Not passed yet		Yes (2/3rds vote)
SB 144	SB 144 (Portantino, Carrillo, Burke): Film tax credit	Not passed yet		No (2/3rds vote): Asm. R&T Cmte.

2021-22 BUDGET HIGHLIGHTS (1 OF 13)

- \$264.1 billion spending plan, of which \$195.5 billion is from the General Fund (GF)
- \$25.5 billion in total GF reserves, including \$3.4 billion in the Special Fund for Economic Uncertainties
 - \$3.2 billion in the Regular Reserve (SFEU)
 - \$1.2 billion in the Safety Net Reserve
 - \$5.3 billion in the Prop 98 Reserve
 - \$15.9 billion in the Rainy Day Fund (Budget Stabilization Account)
- \$96.1 billion Proposition 98 spending. This include the full-payoff of Proposition 98 Deferrals
- \$27 billion Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act of 2021. Total federal stimulus funds appropriated for state programs is over \$275 billion.

2021-22 BUDGET HIGHLIGHTS — GRANTS (2 OF 13)

- **Golden State Stimulus 2:** \$8.1 billion in tax cuts to Californians with income of up to \$75,000. This will provide taxpayers with payments of \$500, \$600, 1,000 or \$1,100, depending on their filing status. Combined with early action tax relief for families and businesses, this totals approximately \$14.7 billion in tax relief.
- **Small Business and Non-Profits Grants:** \$1.5 billion in small businesses and non-profit grants, bringing the total investment in the Small Business COVID-19 Relief Grant Program to \$4 billion.
- **Grants to Microbusinesses:** \$50 million one-time GF for grants to local governments and nonprofits to provide direct relief to eligible microbusinesses.
- **Grants to Independent Venues:** \$150 million one-time GF for CalOSBA to provide financial relief to independent venues, live events businesses, and minor league sports.
- **Grants to Performing Arts:** \$50 million one-time GF for GO-Biz to provide grants under the California Nonprofit Performing Arts Grant Program.

2021-22 BUDGET HIGHLIGHTS — INFRASTRUCTURE (3 OF 13)

- **Broadband:** \$6 billion over 3-year period (\$4.3 in budget year) for broadband infrastructure and improved access to broadband services throughout the state. Details will continue to be worked out through three party negotiations. Administrative flexibilities will enable the appropriated funds to be accelerated to ensure they are available as needed to fund the expansion and improvements.
- **Port Infrastructure:** \$250 million one-time federal ARPA funds to GO-Biz to allocate to California ports to address some of the revenue impacts suffered by ports as a result of COVID-19.

2021-22 BUDGET HIGHLIGHTS — SB TA (4 OF 13)

- **Small Business Technical Assistance Expansion Program:** \$17 million GF (third year of a five-year agreement) to provide funding for technical assistance to small businesses through a federal partners and (now) non-federal partners.
- **California Dream Fund Program:** \$35 million one-time GF to support microgrants up to \$10,000 to seed business start-ups by entrepreneurs from underserved small business groups.
- **Entrepreneur Seed Grants:** \$20 million to the CWDB for a second round of funding for the Social Entrepreneurs for Economic Development program.

2021-22 BUDGET HIGHLIGHTS — TAX CREDITS (5 OF 13)

- **Main Street Tax Credit:** \$100 million for the Main Street Small Business Tax Credit to provide a second round of reservations in 2021-22. This would also include \$47 million in unauthorized credits from the first round. SB 1447 (Bradford, Caballero, Cervantes), Chapter 41, Statutes of 2020.
- **Hire Homeless Tax Credit:** \$X million for the Homeless Hiring Credit. The amount of credit is based on how many hours are worked by that eligible individual and varies between \$2,500 and \$10,000 per eligible individual (maximum \$30,000 per taxpayer).
- **California Competes Tax Credit:** Increases the amount of credits allocated in fiscal year 2021-22 from \$180 million to \$290 million for the California Competes Tax Credit program.
- **Film Tax Credit:** \$95 million, including \$75 million recurring to expand the California Film and Television Tax Credit Program 3.0 productions that relocate from other jurisdictions.

2021-22 BUDGET HIGHLIGHTS — ECO DEV (6 OF 13)

- **Inclusive Innovation Hub:** \$2.5 million one-time GF to relaunch the California Innovation Hub program as the Inclusive Innovation Hub program (iHub2) to incentivize a focus on diversity, equity, and inclusion in the state's tech and science-based startup ecosystem.
- **Cal Competes Grant:** \$120 million for individually negotiated grants with a clawback should grant conditions not be met. At a minimum, business must create more than 500 jobs, be located in a targeted census tract, or make a \$10 million infrastructure investment.
- **ZEV Marketing:** \$5 million GF as match funding for brand-neutral efforts to improve customer awareness of zero emission vehicle technology and its benefits in partnership with other organizations, including vehicle manufacturers.
- **Energy Unit:** A new unit is established at GO-Biz to help facilitate transition of the energy sector to low and zero emission. Energy Unit is lead by a Governor's appointee.

2021-22 BUDGET HIGHLIGHTS — ECO DEV (7 OF 13)

- **Small Business Loan Guarantee Program:** \$20 million one-time GF to recapitalize the Small Business Loan Guarantee Program.
- **Small Business Finance Center:** \$50 million for the Small Business Finance Center to provide financial assistance to small businesses through any IBank program, including the California Rebuilding Fund, with a focus on programs that benefit underserved businesses in California.
- **Tourism Grant:** \$95 million one-time federal ARPA funds to the Office of Tourism to implement strategic media recovery campaigns that will jump-start the recovery of the travel and tourism industry once it is safe to travel.

2021-22 BUDGET HIGHLIGHTS — WORKFORCE (8 OF 13)

- **More Training of Incumbent Workers:** \$50 million one-time GF to the Employment Training Panel to expand its programs into high-demand sectors.
- **Coordination of Training of Incumbent Workers:** \$15 million GF to Employment Training Panel to align and operate programs with the community college system, in partnership with the California Community Colleges Strong Workforce program.
- **Training of Small Business Workers:** \$42 million GF to Employment Training Panel to leverage existing community college contract education units to provide small businesses with new and incumbent employee training and accelerate their recovery. (Pending)
- **Regional Recovery Partnerships:** \$25 million one-time GF to the CWDB to fund Regional Equity and Recovery Partnerships between local workforce boards and community colleges.

2021-22 BUDGET HIGHLIGHTS — WORKFORCE (9 OF 13)

■ **Funding to the CWDB for High Road Training Strategies:**

- **\$75 million** to make additional High Road Training Partnership (H RTP) grants. This builds upon the \$25 million proposed in January for a \$100 million in total for H RTPs.
- \$25 million one-time to establish High Road Training Partnerships aligned with the California Community Colleges.

■ **CCC High Road Training Partnerships:** \$20 million for CCCs to establish and expand High Road Training Partnerships and High Road Construction Careers, as well as regional equity partnerships with local workforce development boards.

■ **Golden State Education and Training Grant Program:** Creates a grant program which provides education grants of up to \$2,500 for workers displaced by COVID 19. Grant recipients can use the funding to cover costs for higher education or other training programs.

2021-22 BUDGET HIGHLIGHTS — WORKFORCE (10 OF 13)

Grants Administered Through California Workforce Development Board (one-time GF):

- **Cleantech Workforce Training:** \$10 million one-time GF to support the Los Angeles Cleantech Incubator.
- **Emergency Preparedness Training:** \$20 million to support the Mutual Aid Training Center facility in Los Angeles.
- **Training in Nontraditional Women Careers:** \$5 million for the New Economics for Women pilot program.
- **Training for System Impacted Workers:** \$20 million for the Prison to Employment program.
- **AB 1111:** \$30 million for the Breaking Barriers to Employment Program with \$5 million earmarked for programs that serve individuals with autism.
- **Nurse Training:** \$14.5 million for workforce programs for certified nurse assistants.

2021-22 BUDGET HIGHLIGHTS — WORKFORCE (11 OF 13)

Grants Administered Through California Workforce Development Board (one-time GF):

- \$3.5 million for Southern California Association of Governments for workforce development and training. One million dollars of which is to be made available to the San Gabriel Valley Council of Governments.
- \$2 million for the East Palo Alto Job Training Center for Economic Mobility.
- \$3.5 million for the Los Angeles Black Worker Center to create the Workforce Equity Demonstration Project.
- \$10 million for the Santa Clara Valley Transportation Authority for worker assistance, including mental health services, worker training, and retraining.
- \$10 million to develop earn and learn apprenticeship training programs in residential construction.
- \$27 million to Creating Restorative Opportunities and Programs (CROP) for the Ready for Life Pilot program

2021-22 BUDGET HIGHLIGHTS - WORKFORCE (12 OF 13)

- **Cradle to Career Data System:** Creates the Cradle to Career data system within the Government Operations Agency. The system is intended to link education, workforce, health and human service data systems to better provide public data on educational outcomes and services for students and families.
- **Shared Data Between CCCO and Labor Agency:** \$8 million one-time for shared data infrastructure between the Labor Agency and the Chancellor's Office of the California Community Colleges.
- **Shared Data on Private Workforce Training:** \$2 million for the Bureau for Private Postsecondary Education to gather data on workforce outcomes in for-profit entities.
- **Cal Grant Expansion:** Creates the California Community College Expanded Entitlement Program, which removes age and time-out-of-high-school barriers to Cal Grant for income eligible community college students. Includes \$250 million to be used to provide \$6,000 stipends to Cal Grant recipients who are parents. Also includes \$6,000 in non-tuition support for all Cal Grant students who are former foster youth.
- **College Savings Program.** Expands and makes permanent the CalKIDS college savings program providing all California newborns with a college savings account, and additional funding for low-income K-12 students.

2021-22 BUDGET HIGHLIGHTS - WORKFORCE (13 OF 13)

- **Dual Admissions:** Creates a new dual admissions program at the UC and CSU to allow student transfer admissions at UC and CSU before they enroll in a community college transfer program.
- **CCC Guided Pathways Program:** \$50 million one-time for the continued implementation of the CCC Guided Pathways program. Requires colleges to submit a plan outlining plans to implement guided pathways program, and integrate student success programs. Requires the Chancellor's Office to report on each colleges progress towards implement guided pathways activities and practices.
- **CCC Pathways to Law School Program:** \$5 million for a new CCC Pathways to Law School Program by supporting dual enrollment and transfer partnerships with CSU and UC.
- **Learning Aligned Employment:** Establishes the Learning Aligned Employment program, a state work-study program for students attending the UC, CSU, and CCC. Targeted to students from underrepresented backgrounds. The learning aligned employment position is to be related to the student's area of study or career interest, and placements with employers that are able to provide them with or connect them to full-time employment opportunities upon graduation.

SEC. 19.55 OF SB 161 — DEFERRED ACTION

Contingent upon future legislation, \$2,500,000,000 is appropriated from the General Fund for the following purposes:

- (a) \$730,700,000 from the General Fund on a one-time basis for a water and drought resilience package.
- (b) \$440,000,000 from the General Fund on a one-time basis for a climate resilience package.
- (c) \$200,000,000 from the General Fund on a one-time basis for an agriculture package.
- (d) \$65,000,000 from the General Fund on a one-time basis for a circular economy package.
- (e) \$200,000,000 from the General Fund on a one-time basis for local parks grants.
- (f) \$258,000,000 from the General Fund on a one-time basis for a wildfire prevention and forest resilience package. Upon order of the Department of Finance, up to an additional \$500,000,000 of General Fund moneys may be made available for wildfire prevention and forest resilience activities in the 2021–22 fiscal year if the Department of Finance determines additional funding is needed. The Department of Finance shall notify the Joint Legislative Budget Committee within 10 days of ordering disbursement of the additional funds.
- (g) \$500,000,000 in one-time funds from the General Fund for supporting affordable student housing projects for the University of California, the California State University, and the California Community Colleges, as well as for support of campus expansions for the University of California and the California State University.
- (h) \$4,683,000 from the General Fund on a one-time basis for a climate-related service program.
- (i) \$67,500,000 from the General Fund on a one-time basis for the California Access to Justice Program.

CLIMATE CATALYST FUND - DEFERRED

The Climate Catalyst Fund is a financing tool, administered by the IBank, to make revolving loans for climate-related projects.

- \$50 million one-time GF for Climate Smart Agriculture projects, including methane reduction projects, equipment replacement, water efficiency, healthy soils, and energy efficiency for food processing.
- \$31 million one-time GF as part of the wildfire and forest resilience package. The early action package ultimately included \$16 million one-time GF in 2020-21. If approved, total funding for wildfire resiliency in 2020-21 and 2021-22 would be \$47 million.
- \$50 million to provide low-interest loans to attract recycling and reuse businesses to California.

DEFERRED AND/OR NO FINAL ACTION TAKEN

- **\$2 Billion Unemployment Insurance Mitigation for Small Businesses.** Provides \$2 billion of tax relief over a ten-year period for small businesses to mitigate impacts of Unemployment Insurance repayments, beginning in 2023. This replaces the Governor's \$1.1 billion proposal that would not target relief to small businesses and would not have a practical benefit to any business until 2030. (**Pending**)
- **CDFI Grants:** \$70 Million one-time GF to establish a grant program for community development financial institutions (CDFIs) pending future legislation. (**Funding amended out of initial Budget Bill**)

COMMUNITY ECONOMIC RESILIENCE FUND

- **Program Details Still under Discussion**

- **\$750 million** one-time federal ARPA funds for the Community Economic Resilience Fund to support the planning and implementation 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.
 - Funding will be guided by the Just Transition Roadmap, scheduled to be published in July 2021.



CLOSING THOUGHTS

Links to Useful Information



Supporting SMALL
strengthens us ALL:
#ShopSafeShopLocal

STAY CONNECTED WITH GO-BIZ AND OPR

GO-Biz, the Office of the Small Business Advocate, and OPR are partnering on a range of activities, including weekly webinars and videos. You can stay connected through the following channels:

- To view the Entrepreneurship Task Force COVID-19 Rapid Response Online Sessions: <https://business.ca.gov/advantages/small-business-innovation-and-entrepreneurship/help-us-advance-entrepreneurship/>
- Subscribe to GO-Biz's Newsletter for COVID-19: <https://business.ca.gov/gobiz-newsletter-signup/>
- Subscribe to GO-Biz OZ Updates: <https://opzones.ca.gov/sign-up/>
- Subscribe to OPR's Federal Grants E-List: <https://tinyurl.com/y9du7fg3>
- Follow @CAGOBIZ on Twitter: <https://twitter.com/CAGoBiz>
- Follow @Cal_OPR on Twitter: https://twitter.com/cal_opr?lang=en
- Subscribe to the GO-Biz YouTube Channel: <https://www.youtube.com/channel/UCregW8KZRE4k1sXVZs2bPxw>
- Submit questions to the California Business Investment Service: calbis@gobiz.ca.gov
- Submit questions regarding the Opportunity Zones and Promise Zones: zones@gobiz.ca.gov

JEDE COVID-19 ACTIVITIES

Conference Calls: JEDE is sponsoring monthly conference calls where stakeholders can share program and service delivery challenges in real time and seek resolution and mitigation actions within the broader business, economic, and workforce development community.

COVID-19 Updates: JEDE regularly publishes economic and business development updates to professionals engaged in meeting the needs of small businesses and local communities caused by the coronavirus emergency.

Resource Webpages:

- JEDE COVID-19 Resource Page: <https://ajed.assembly.ca.gov/content/covid-19-resources>
- Small Business Roundtable: <https://ajed.assembly.ca.gov/content/small-business-roundtables>