



ECONOMIC DEVELOPMENT ROUNDTABLE

MAY 19, 2022

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

GOVERNOR PROCLAIMS MAY AS SMALL BUSINESS MONTH

Free Small Business Webinar

Hosted by



May 18, 2022
10:00 - 11:30 a.m.
Register at: bit.ly/3MKkJ7u

Thank you to our partners:



EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION

California is the fifth largest economy in the world and has more than 4.2 million small businesses – more than any other state. Small businesses and entrepreneurs accelerate economic growth and mobility in California, creating two-thirds of net new jobs, building wealth, innovating to solve global problems, launching future growth industries, and defining main streets across our local communities. California's small businesses account for over 99 percent of total businesses in the state and employ more than 7 million people, nearly half of the state's private sector workforce. Our small businesses are global leaders in innovation and economic competitiveness and embody the entrepreneurial spirit that drives the economy of the Golden State.

As California's economic recovery from the COVID-19 pandemic forges ahead, we continue to see our small businesses dig in and press toward their dreams. California leads the nation in business startups, growing 20 percent year-over-year from 2019 to 2020, despite the pandemic. Our businesses receive more than 50 percent of the nation's venture capital. They produce more patents per capita and conduct more research and development than any other state in the nation. Our small businesses are adapting to an evolving marketplace, integrating technology at higher rates than ever before, developing creative ways to connect with clients, and building on innovations.


California is committed to helping all its diverse small businesses become more resilient and thrive. For our economy to continue on the path to recovery and maintain global leadership, we must ensure that all Californians – no matter who they are or where they come from – can pursue their dreams to start, manage, and grow resilient businesses in California.

The state's commitment to serving our diverse small business community can be seen in a variety of initiatives, including the \$4 billion COVID-19 Relief Grant Program for small businesses; the California Dream Fund, which is designed to create opportunities for Californians to launch their own businesses; and the Inclusive Innovation Hub (IHu2) program aimed at business and job creation through accelerated commercialization of innovation, a vital component of California's long-term economic strength. These efforts are grounded in the many partnerships established across the state with small business centers and a vast network of community-based organizations, chambers of commerce, and federal, state, and local government partners working to provide technical assistance and guidance in underserved communities.

Throughout the month of May, we recognize the immense contributions of our small businesses to the California economy. We affirm our commitment to helping California's small businesses thrive and, above all, we commit to ensuring that the California Dream remains accessible to all.


NOW THEREFORE I, GAVIN NEWSOM, Governor of the State of California, do hereby proclaim May 2022, as "Small Business Month."

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 12th day of May 2022.



GAVIN NEWSOM
Governor of California

ATTEST:



SHIRLEY N. WEBER, Ph.D.
Secretary of State



WELCOME AND OVERVIEW

Agenda Item I

REVIEW THE AGENDA

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

JEDE CHAIR ASSEMBLYMEMBER SABRINA CERVANTES

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



INTRODUCTIONS

Thank you for joining us today.

Please use the chat to introduce yourself, your organization with 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 2.2 million, or nearly 90%, of the 2.7 million jobs that were lost in March and April 2020 due to the COVID-19 pandemic. *(based on March 2022 employment numbers)*
- Recovery is supported by vaccines – over 75.2% of CAs over the age of 5 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 March 2022.]

- ❖ Total nonfarm employment in CA for March 2022 was 18.1 million, reflecting an increase of 142,000 jobs from the prior month, up 998,000 from March 2021.
- ❖ The CA unemployment rate in March 2022 was 4.9% with over 934,000 unemployed individuals, -648,000 lower than in March 2021. The comparable federal unemployment rate was 3.6%.
- ❖ CA has regained 2,463,400 (90%) of the 2,758,900 jobs that were lost in March and April 2020 due to the COVID-19 pandemic.
- ❖ For 46.9% of the people who filed for some form of unemployment-related benefit in the week ending May 7, 2022, their highest level of educational attainment was a GED or high school diploma or less. \$182 billion has been paid to out-of-work Californians since start of pandemic.
- ❖ March 2022 unemployment rates: 13.6% for Teenagers, 10.5% Blacks, 6.9% Hispanics, and 5.9% Whites. Comparable unemployment rate is 6.3%, based on a 12-month rolling average. The labor participation rate in March 2022 was 61.8%. There are over 1 million people who are not in the labor force but want a job.

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

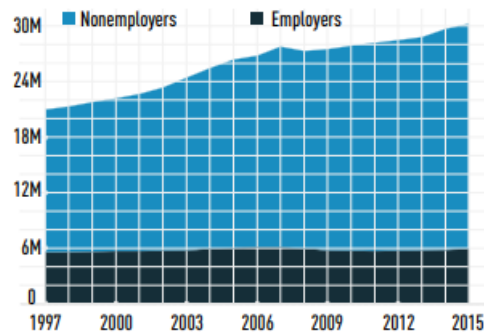
What is a nonemployer business?

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)

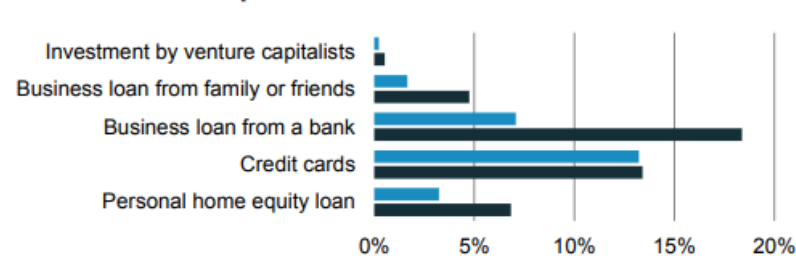


Where do nonemployers get the capital to start their business?

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

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

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

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

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

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

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

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



KEY RECOVERY CHALLENGES

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

2022 KEY RECOVERY CHALLENGES

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

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

- **Tracking and Monitoring of Programs Funded in 2020-21 and 2021-22:** The Legislature was very clear that new funding was to benefit those businesses and workers who were most impacted by COVID-19. This means a priority for our lowest-wage workers who may have lost their jobs or taken/continued to work in high-risk essential jobs, as well as a priority for our smallest sized businesses, including businesses owned by women and people-of-color.
- **Small Business Technical Assistance Expansion Program:** More TA funding and program changes are needed to meet current small business needs. Program updates and sunset extension included in AB 1072 (Reyes). The program sunsets January 1, 2024. *The Governor proposed increased funding and making the program permanent as part of his proposed 2022-23 budget.
- **Pipeline of Capital-Ready Small Businesses:** Technical assistance funding delivered in a coordinated manner is needed to create a pipeline of small businesses who are ready to access capital programs funded through State Small Business Credit Initiative (SSBCI). *Joint hearing of JEDE and Budget Sub 4 on March 29, 2022.
- **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. *Several proposals included in Governor’s proposed 2022-23 budget
- **Preparing for Federal Infrastructure Funding:** CA will receive billions in federal infrastructure funds. We have a lot of work to do to prepare for these funds – especially if we want these moneys to help lift workers who have historically been underserved.
- **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. *Governor has a revised proposal in his 2022-23 budget
- **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. *May Revise includes several new grants for small business owners who are continuing to struggle due to COVID-19

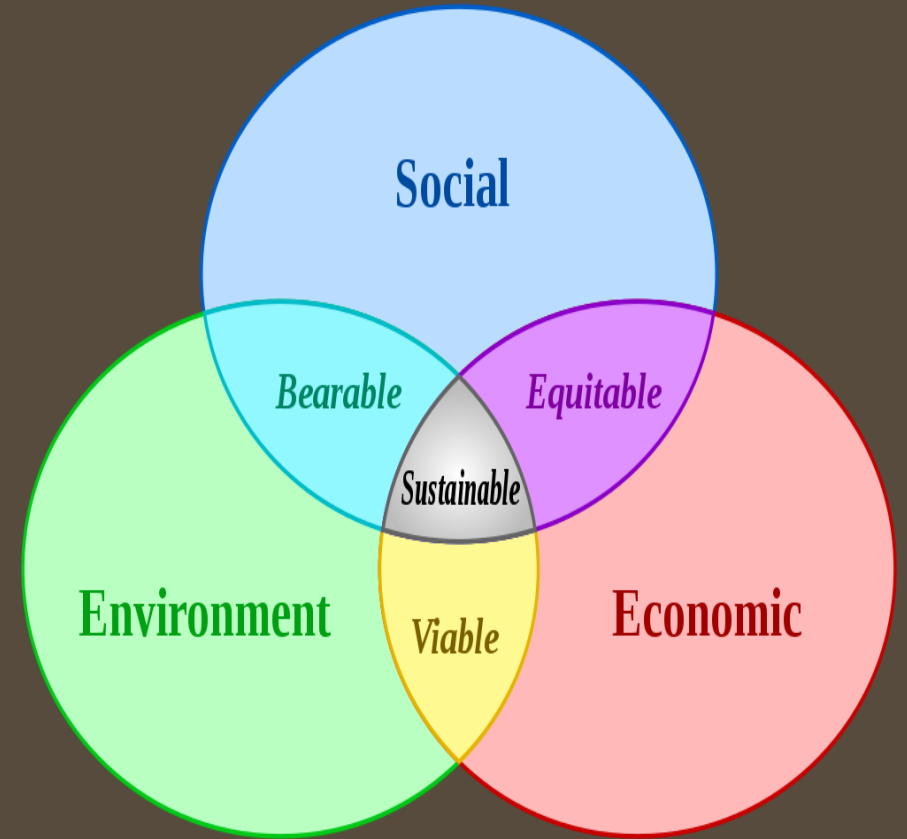


ASSOCIATION AND PUBLIC PROGRAM UPDATES

Agenda Item III

SPEAKERS — AGENDA ITEM III

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



SMALL BUSINESS MONTH EXTRAS

- IRS Tax Tip 2022-68, [Small business owners shouldn't miss this free recorded workshop](#)
- IRS Tax Tip 2022-37, [Small business rent expenses may be tax deductible](#)
- IRS Tax Tip 2022-10, [How small business owners can deduct their home office from their taxes](#)
- IRS Tax Tip 2021-183, [Tax benefits of making a business accessible to workers and customers with disabilities](#)
- IRS Tax Tip 2021-166, [Here's how businesses can deduct startup costs from their federal taxes](#)
- IRS Tax Tip 2021-159, [Small business advertising and marketing costs may be tax deductible](#)
- IRS Tax Tip 2021-140, [What employers need to know when classifying workers as employees or independent contractors](#)
- COVID Tax Tip 2021-135, [IRS resources to help small business employers understand and meet their tax responsibilities](#)
- IRS Tax Tip 2021-134, [Understanding the tax responsibilities that come with starting a business](#)

Subject:	Building Supply Chain Resiliency Amid Global Disruption
Date & Time:	Weds, May 25, 2022 11:00am – 12pm PT
Cost:	Complimentary
Content:	<p>The pandemic undoubtedly sent many shock waves through the world of manufacturing – and perhaps the most lasting have been the disruptions to the global supply chain.</p> <p>Small and medium-sized manufacturers are facing the reality that there will inevitably be more disruptions in the future and they must prepare themselves <i>now</i> by strategically evaluating and mitigating their supply chain risks.</p> <p>During this webinar, Vital Link Consulting Principal Consultant Eric Fetty will cover each element of the end-to-end supply chain, reviewing:</p> <ul style="list-style-type: none">• Common pitfalls• Typical misconceptions• Proven tactics to recover & build true supply chain resiliency
Link to Register	Click Here To Register

<https://hubs.ly/Q018pN930>

MAY IS INTERNATIONAL TRADE MONTH

- Nearly 96% of consumers live outside the US
- Two-thirds of the world's purchasing power is in foreign countries.
- Exports out of California were valued at \$175.1 billion in 2021, representing 12.3% of total US exports (\$1.7 trillion).
- California's **largest export market** is **Mexico**, where the value of exports totaled \$27.2 billion in 2021. After Mexico, California's top export markets in 2021 were: China and Hong Kong (\$23.4 billion), Canada (\$17.8 billion), Japan (\$11.8 billion), South Korea (\$11.6 billion), and Taiwan (\$8.9 billion).

Useful Links

- [SBA Office of International Trade](#)
- [Export.gov](#)
- [Full list of government trade agencies](#)
- [U.S. Customs and Border Protection](#)
- [Getting to the Export Accelerator](#)

Trade Tools for International Sales

SBA's Office of International Trade provides information on its [Trade Tools for International Sales](#) page to help small businesses explore opportunities in other markets. The page also includes information on US trade agreements, regulations and laws, and programs and services available for small businesses who want to go global.

US Export Assistance Centers (USEACs)

[USEACs](#) are available to assist small businesses in understanding the process of exporting. Each center is staffed by professionals from public and private organizations with experience in export assistance for small- and medium-sized businesses.

International Trade Hotline

SBA's Office of International Trade is available to help small businesses that faces barriers in accessing international markets. The office publicizes the small business benefits of US trade agreements and helps protect the rights of small businesses under these agreements. Contact the toll-free trade hotline at 855-722-4877 or international@sba.gov.

MAY IS ASIAN AMERICAN AND NATIVE HAWAIIAN/ PACIFIC ISLANDER MONTH

In honor of the month, SBA is highlighting its “[Business Guide](#)” where small businesses can access a broad array of resources to:

[Plan Your Business](#)

[Launch Your Business](#)

[Manage Your Business](#)

[Grow Your Business](#)

Governor [proclaims](#) Asian American and Pacific Islander Heritage month





California College
Guidance Initiative

Related Links

- Main Website: <https://www.californiacolleges.edu/#/>
- CA Cradle-to-Career System: <https://c2c.ca.gov/>
- Two-Minute Video : <https://vimeo.com/668325885>

[CaliforniaColleges.edu](https://www.californiacolleges.edu) is the state's official, fully-subsidized college and career planning platform, designed to streamline and personalize the planning and application process for 6th-12th grade students.

Free, Data-informed College & Career Planning Tools

CaliforniaColleges.edu serves as the core of the college planning and application tools in [California's Cradle-to-Career System](#). It provides remotely-accessible tools that use students' transcript data to inform the development of meaningful plans for life after high school.

Students can match their interests to career goals and make plans for how to achieve them. Tools help them navigate college, career, and financial aid planning, view progress toward California State University (CSU) and University of California (UC) eligibility, and launch and monitor their California Community Colleges, CSU, UC, Free Application for Federal Student Aid (FAFSA), and California Dream Act (CADAA) applications.

Educators can automate time-consuming tasks in order to make the best use of their limited capacity. Reporting tools automatically calculate "a-g" eligibility and drive intentional course placement to maximize completion rates. Educators can also view all their students' college planning and application progress at a glance, enabling them to quickly identify and intervene with those who need individualized support.

Districts can provide equitable opportunities to help all students develop the knowledge and aspirations needed to pursue education or training after high school. Reports enable district administrators to track progress on key college, career, and financial aid planning and application metrics. These tools can help with the implementation of state policies and initiatives, such as the A-G Completion Improvement Grant Program and the upcoming requirement that districts must ensure all graduating seniors submit the FAFSA or CADAA (AB 469).

Hear high school seniors describe their [CaliforniaColleges.edu](#) experience in this [two-minute video](#).

Bringing CaliforniaColleges.edu to Your District

The CaliforniaColleges.edu team will support your district every step of the way, from account creation and transcript data uploads through initial rollout and ongoing use of CaliforniaColleges.edu by your staff and your students.

To learn how to bring CaliforniaColleges.edu your district and improve your students' college and career outcomes, email communityengagement@Californiacolleges.edu

About the California College Guidance Initiative

CaliforniaColleges.edu is managed by the [California College Guidance Initiative](#), which has smoothed college and career paths for California students since 2013. Today, we provide transcript-informed tools to more than 100 K-12 districts.

Tools to Help Your District:

- * Make higher education more equitable and accessible for all students.
- * Ensure continuity of college planning and application processes during on-site and remote learning.
- * Improve "a-g" completion rates.
- * Comply with forthcoming Universal FAFSA requirement (AB 469).



IMPLEMENTATION OF ECONOMIC GROWTH AND RECOVERY PROGRAMS

Agenda Item IV

SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds with the JEDE Committee to facilitate our discussion
- ❑ Matt Philips with Governor's Office of Planning and Research
- ❑ Bianca Blomquist with Small Business Majority

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



PROGRAMS WE ARE TRACKING

Approved Programs & Initiatives

LINKS TO PROGRAM AND FUNDING PACKAGES

- [\\$900 million COVID Relief Act](#) and \$1.4 billion Omnibus Appropriation Act (federal) – signed into law in December 2020
- [\\$1.9 trillion Biden American Rescue Plan](#) (federal) – signed into law on March 11, 2021
 - Includes \$894 million in [State Small Business Credit Initiative](#)
- [\\$7.6 billion Early Action Budget Agreement](#) (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



THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (HR 3684)

Enacted November 15, 2021
(Slide 1 of 6)

BIPARTISAN INFRASTRUCTURE LAW — 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 provide 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

- **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
- **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
- **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.



OTHER FEDERAL UPDATES



US TREASURY ISSUES ANNUAL REPORT ON ITS ACTIONS TO PROMOTE AN INCLUSIVE ECONOMIC RECOVERY

- **Appointment of a Counselor for Racial Equity:** In October 2021, Secretary Yellen appointed the Department's first-ever Counselor for Racial Equity to coordinate all offices and work streams intended to advance equity and advise the Department on all racial equity policy issues and programs.
- **Emergency Capital Investment Program:** In December 2021, the Emergency Capital Investment Program announced \$8.7 billion in investments in Community Development Financial Institutions (CDFIs) and Minority Depository Institutions in order to increase lending to small and minority-owned businesses, and low- and moderate-income consumers in underserved communities, including rural areas.
- **CDFI Rapid Response Program:** The CDFI Rapid Response Program provided \$1.25 billion to CDFIs to help their communities respond to the economic hardships created by the COVID-19 pandemic – offering a historic investment in institutions that reach communities that have traditionally been underserved by the financial sector.
- **State Small Business Credit Initiative:** US Treasury is in the process of deploying the \$10 billion in State Small Business Credit Initiative funding, which includes a \$2.5 billion allocation for supporting businesses owned by socially and economically disadvantaged individuals, including those in communities of color who have historically struggled to access the capital they need to support their businesses.
- **Tribal Engagement:** US Treasury has held numerous Tribal Consultations to ensure that COVID-19 relief funds reach Tribes and that each Tribe has the flexibility to use these funds in a manner determined to be appropriate by each individual tribe. Across programs, Treasury engaged over 8,600 individuals in 65 hours of consultations, information sessions, and other meetings.
- **Disbursement of Economic Impact Payments and Advance Child Tax Credit Payments:** Since the passage of the American Rescue Plan Act of 2021, more than 170 million economic impact payments totaling more than \$400 billion has been distributed and over \$92 billion in Child Tax Credit payments to the families of more than 61 million children.

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 \(whitehouse.gov\)](#)

RESOURCES FOR ASPIRING ENTREPRENEURS & INVENTORS

The rights granted by a US patent extend only throughout the territory of the United States and have no effect in a foreign country, an inventor who wishes patent protection in other countries must apply for a patent in each of the other countries or in regional patent offices.

Intellectual Property Rights (IPR) Toolkits provide detailed information about protecting and enforcing intellectual property rights in specific markets, along with contact information for local IPR offices abroad.

- [China IPR Toolkit](#)
- [UK IPR Toolkit](#)
- [Other information on IPR](#)

Wednesday, June 15

Do you have an idea you want to bring to life? Get inspired by successful innovators turning concepts into creations. Proud Innovation 2022, [part one](#): From ideas to innovations.

Wednesday, June 22

Are you passionate about taking your special idea to the market? Learn how to commercialize innovation during Proud Innovation 2022, [part two](#): From enthusiasm to entrepreneurship.

Access to other events and webinars from the US Patents and Trademarks office:

<https://www.uspto.gov/about-us/events>

FEDERAL FUNDING OPPORTUNITIES

- **Entrepreneurship Training through Minority College and Universities:** The Business Development Agency announced \$1.8 million in federal grants, for qualified organizations to develop entrepreneurship programs for students at Minority Serving Institutions. The grants will be for a two-year term but funded one year at a time. Each grant is approximately \$300,000.
www.mbda.gov/minority-colleges-and-universities-grant-competition
- **Rural Cooperative Development Grant:** The US Department of Agriculture is awarding grants to improve the economic condition of rural areas by assisting individuals or entities in the startup, expansion or operational improvement of rural cooperatives and other business entities. Grants are awarded competitively on an annual basis to **Rural Cooperative Development Centers** who in turn provide technical assistance to individuals and entities.
<https://www.grants.gov/web/grants/search-grants.html>
- **Entrepreneurship Workshops in India:** The US Mission to India is awarding grants (\$30,000 to \$75,000) to fund training workshops for women entrepreneurs working in the green business sector in Hyderabad, India. Eligible applicants include nonprofits, and public and private institutions of higher education. <https://www.grants.gov/web/grants/search-grants.html>
- **Trade and Investment Projects:** The US Mission to France is awarding \$24,000 grants to nonprofits and public entities for “well-conceived programs that strengthen bilateral ties between the US and France and include a clear US connection that promotes increased understanding of US policy or perspectives, including trade, investment, security, and technology. <https://www.grants.gov/web/grants/search-grants.html>
- **Reentry Training:** The Employment and Training Administration is awarding grants to public entities and independent school districts to prepare justice-involved youth and young adults for the world of work through placement into paid work experiences. <https://www.grants.gov/web/grants/search-grants.html>



UPDATES 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
- ❑ \$200 million Main Street Tax Credit. <https://www.ftb.ca.gov/file/business/credits/small-business-hiring-credit.html> May Revise proposes extended date on application of the credit
- ❑ \$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/> (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/>
- ❑ \$17 million Small Business Technical Assistance Expansion Program to provide free one-on-one counseling and training to small businesses and nonprofits. Governor is proposing increased funding and making the program permanent. <https://calosba.ca.gov/local-direct-assistance/small-business-centers/>

2022 ENTREPRENEURSHIP & ECONOMIC MOBILITY TASK FORCE

- The Office of the Small Business Advocate announced the establishment of the **2022 Entrepreneurship & Economic Mobility Task Force (EEMTF)**, formed to propel inclusive entrepreneurship and to ensure that all California small businesses have access to the resources they need to grow and scale.
 - “As a business owner and technical assistance provider before my current role, I know all too well the challenges small businesses face. This Task Force will focus on addressing current challenges that include workforce and capital access constraints to support a continued sustainable recovery from the COVID-19 crisis as well as look forward to opportunities for innovation and entrepreneurship on a broad scale,” said **Tara Lynn Gray**, Director of CalOSBA.
- The Task force will be chaired by **Lenny Mendonca**, owner of the Half Moon Bay Brewing Company and former Chief Economic and Business Advisor to Governor Newsom and Director of GO-Biz. Two vice chairs have also been named, **Gurinder Ahluwalia**, board member of Hightower Advisors and InspereX and **Maria Salinas**, President & CEO of the Los Angeles Area Chamber of Commerce.
- **Up to 21 additional members** will be selected by the Chair and Vice Chairs. According to the press release, the Task Force will “include successful entrepreneurs and thought leaders who can serve as a bridge from GO-Biz to the community of small business and startup owners.”
- The Task Force will focus on **three main subject areas**: (1) Democratizing Access to Capital; (2) Diversifying the Innovation Economy; and (3) Driving Economic Mobility through Entrepreneurship.

RENEWABLE HYDROGEN HUB ANNOUNCED

- CA will be applying for federal IIJA funds to establish an environmentally and economically sustainable and expanding renewable hydrogen hub.
- According to the [press release](#), GO-Biz “will continue working with public and private stakeholders, including California’s legislature and leading municipalities such as Los Angeles, to submit one state co-funded application.”
- The press release further states that the provisions outlined in the May Revise budget direct investment in green hydrogen production, and identify other funding that can be leveraged to accelerate hydrogen market development, including zero-emission vehicle market acceleration, industrial decarbonization, and long duration energy storage.

UPDATE ON ENTREPRENEURSHIP SEED GRANTS

The Employment Training Panel approved \$17 million in awards for its Social Entrepreneurs for Economic Development (SEED) Grant: \$15 million for the SEED Entrepreneurship Program and \$2 million for the SEED Demonstration Project.

- **SEED Entrepreneurship Program:** Southwestern College Foundation; Women's Economic Ventures; Local Initiatives Support Corporation (LISC) San Diego; Renaissance Entrepreneurship Center; Libreria Del Pueblo Bay Area Community Resources; Caravanserai Project; Pars Equality Center, Los Angeles; City Heights Community Development Corporation; El Pajaro Community Development Corp.; Immigrants Rising; and ICON CDC. 8 grants from among 50 proposals.
- **SEED Demonstration Project:** Mission Economic Development Agency (MEDA) and CA Center for Cooperative Development. 2 grants from among 7 proposals.

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 proposes 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 previous CERF slide*).



STATE SMALL BUSINESS CREDIT INITIATIVE

Slide 1 of 7

SSBCI FUNDING OVERVIEW (2 OF 7)

- The [American Rescue Plan Act](#) of 2021 (ARPA) included \$10 billion for the reauthorization of the State Small Business Credit Initiative (SSBCI), which was initially created through the [Small Business Jobs Act of 2010](#), to strengthen state programs that support financing of small businesses. [Fact Sheet](#) (updated 10/25)
- SSBCI will make both competitively awarded funds and allocations based on formulas.
- \$6.5 billion for small business capital programs.
- \$1.5 billion in ARPA funds to be competitively bid by state governments for programs targeted to [serve socially and economically disadvantaged individuals](#) using a very similar formula as in the \$6.5 billion allocation.
- \$1 billion is available as [an incentive](#) for states who do well in serving the needs of businesses owned and controlled by socially and economically disadvantaged individuals. Provided in tranches II and III.
- \$500 million targeted to [very small businesses](#) (under 10 employees) using the same formula as in the \$6.5 billion allocation, including independent contractors and sole proprietors.
- \$500 million to implement state small business technical assistance plans. [Application due June 30, 2022.](#)

STATE SMALL BUSINESS CREDIT INITIATIVE (3 OF 7)

- \$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 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>

Chart 1 - California's Estimated SSBCI Funding*		
Categories of Funding	Funding Available	
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
Funding is Distributed in Three Tranches. States Must Encumber 80% of their Funds to Access Next Tranche of Funding	Funding in Tranche	80% Target
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.

Chart 2 - California's Proposed SSBCI Allocation Plan*	
Existing Programs Funded	Funding Allocated
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
New Program(s) Funded	Funding Allocated
Venture Capital (IBank)	\$200,000,000
Loan Participation (CPCFA) – under consideration	
Total CA SSBCI Allocation	\$1,181,997,613
*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 (4 OF 7)

- Assembly Jobs Committee [advances three bills](#) to enhance the state's SSBCI implementation, including AB 2314 (Petrie-Norris), AB 2376 (Petrie-Norris), and AB 2400 (Cervantes).
- The Assembly Jobs Committee and the Assembly Budget Subcommittee 4 on State Administration held a [joint informational hearing](#) on the state's implementation of the SSBCI on March 29, 2022.
- US Treasury releases [guidelines](#) for the deployment of \$300 million in SSBCI technical assistance funding. The deadline for the small business technical assistance June 30, 2022.
 - \$100 million is being allocated to the Minority Business Development Agency at the US Department of Commerce
 - \$200 million will go to individual states and Tribal Governments.
 - California to receive [\\$25.3 million](#) based a formula allocation.
 - Funding may be used to for qualifying small businesses seeking SSBCI funding or funding from another jurisdiction or federal small business program.
 - Treasury will require a plan that prioritizes contracts with SEDI-owned technical assistance providers.
- US Treasury released [guidelines](#) for reporting on SSBCI capital program activities.

WHO MUST THE SMALL BUSINESS PROGRAMS SERVE? (5 OF 7)

- 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

CA'S FIRST ROUND OF SSBCI FUNDING? (6 OF 7)

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

RESOURCES AND STATE CONTACTS FOR FOLLOW-UP (7 OF 7)

- [IBank SSBCI](#) inquiries and lenders interested in participating in IBank's Small Business Loan Guarantee Program should email SSBCI@IBank.ca.gov.
- [CalCAP SSBCI](#) inquiries and lenders interested in participating in CalCAP should email 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



\$4.2 BILLION SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM

Funding rounds closed –
applications still being processed
(Slide 1 of 7)

SMALL BUSINESS COVID-19 RELIEF GRANT PROGRAM (Slide 2 of 7)

In December 2020, CalOSBA launched the California Small Business COVID-19 Relief Grant Program, which provides \$5,000, \$10,000, and \$25,000 grants to eligible small businesses and nonprofits.

A total of **\$4 billion** (\$2.5 billion General Fund and \$1.5 billion federal funds) has been allocated for this program. There have been nine rounds of grants, including two rounds exclusively for nonprofit cultural institutions.

As of April 22, 2022, over **315,000 small businesses** received grants and awards are still ongoing for rounds seven, eight, and nine.

Due to the high demand for the program, approximately **70,780 eligible applications remain unfunded (January 2022 estimate)**. Early budget actions appropriated **\$150 million General Fund** in 2021-22 to capture any small businesses that qualify, but did not receive a grant. [SB 113, Chapter 3, Statutes of 2022.](#)

OVERVIEW OF GRANT PROGRAM AWARDS (Slide 3 of 7)

Funding Rounds	# of Awards	Amount of Awards
1	22,160	\$237,498,816
2	21,711	\$237,467,428
3	41,135	\$485,946,814
4*	1,556	\$21,453,743
5	66,697	\$728,963,654
6	59,494	\$728,836,367
7***	82,170	\$957,377,015
8* ***	223	\$2,615,000
9***	20,171	\$204,752,800
Total	311,566	\$3,564,785,886

*Rounds 4 and 8 were only open to nonprofit arts & cultural institutions. Awards are still being processed
 ***Awards are still ongoing and the # and \$ Amount of Awards will increase once all Awards are finalized for the Round.

SMALL BUSINESS COVID-19 RELIEF GRANT (Slide 4 of 7)

Chart 1 – Summary of Selected Awardees by Industry (as of 4/22/2022)

	Percentage Highly Impacted Industry	Percentage Other Impacted Industry	Percentage Total-target Industry	Percentage NON-target Industry	Percentage For Profit	Percentage Nonprofit
Round 1	53.5	4.2	57.7	42.3	94.8	5.2
Round 2	45.9	4.3	50.2	49.8	97.5	2.5
Round 3	35.4	4.5	39.9	60.1	97.6	2.4
Round 5	23.0	4.0	27.0	73	98.1	1.9
Round 6	10.7	3.3	14	86	96.8	3.2
Round 7	16.8	2.8	19.4	80.5	98.5	1.5
Round 9	22.9	3.2	26.1	73.9	96.3	3.7
Percentage of Total Reported Funding Based on all Rounds (4/22/2022) - Excluding Art and Culture Rounds 4 and 8.	24.0%	--	28%	72%	97.5	2.49%

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

SMALL BUSINESS COVID-19 RELIEF GRANT (Slide 5 of 7)

Chart 2 – Summary of Selected Awardees Based on Self-identified Gender and Veteran Status (as of 4/22/2022)

	Percentage of Women	Percentage of Male, Male and Female, or Decline to State Grantees	Percentage of Veterans
Round 1	53.0	47.0	1.5
Round 2	55.5	44.5	2.0
Round 3	55.5	44.5	2.7
Round 5	47.2	52.8	3.1
Round 6	43.8	56.2	3.3
Round 7	33.4	66.6	2.8
Round 9	38.8	61.2	2.7
Percentage of Total Reported Funding Based on all Rounds (4/22/2022) - Excluding Art and Culture Rounds 4 and 8.	44.3%	55.7%	3.6%

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

SMALL BUSINESS COVID-19 RELIEF GRANT (Slide 6 of 7)

Chart 3 – Summary of Selected Awardees based on Self-Identified Race and Ethnicity (as of 4/22/2022)

	Percentage of White-Owned Business Grantees	Percentage of Minority-Owned Business Grantees	Percentage of African-American-Owned Business Grantees	Percentage of Asian-Owned Business Grantees	Percentage of Latino-Owned Business Grantees	Percentage of Native American-Owned Business Grantees	Percentage of Pacific Islander-Owned Business Grantees
Round 1	45.1	54.9	6.2	32.4	16.0	2.0	2.1
Round 2	40.9	59.1	7.4	33.2	18.1	1.9	2.2
Round 3	34.0	66.0	7.4	38.1	19.7	2.2	2.7
Round 5	37.6	62.4	8.1	33.7	19.7	2.1	2.4
Round 6	41.4	58.6	6.5	33.2	17.8	1.9	2.5
Round 7	40.4	59.6	6.4	35.4	16.0	1.3	1.9
Round 9	34.6	65.4	9.9	31.1	21.5	1.5	2.0
Percentage of Total Reported Funding Based on all Rounds (4/22/2022) - Excluding Art and Culture Rounds 4 and 8.	39.1%	60.8%	7.1%	34.3%	18.0%	1.8%	2.2%

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

SMALL BUSINESS COVID-19 RELIEF GRANT (Slide 7 of 7)

Chart 4 – Summary of Selected Awardees by Location (as of 4/22/2022)

	Percentage of Grantees Located in a Suburban or Urban Area	Percentage of Grantees Located in a Rural Area	Percentage of Grantees Located in a Low- or Moderate-Income Area	Percentage of Grantees Located in a High-Income Area
Round 1	88.1	11.9	76.7	23.3
Round 2	90.3	9.7	68.0	32.0
Round 3	90.8	9.2	67.1	32.9
Round 5	92.2	7.8	57.0	43.0
Round 6	93.5	6.5	58.7	41.3
Round 7	96.6	3.4	52.8	47.2
Round 9	96.1	3.9	51.2	48.8
Percentage of Total Reported Funding Based on all Rounds (4/22/2022) - Excluding Art and Culture Rounds 4 and 8.	93.3%	6.7%	59.2%	40.8%

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



\$600 MILLION COMMUNITY RESILIENCY FUND PROGRAM

Guidelines still under
development. No RFPs have
been issued. (Slide 1 of 7)

CERF FUNDING SUPPORTS BROAD-BASED COMMUNITY ENGAGEMENTS



The CERF Program was enacted through [SB 162](#), Chapter 259, Statutes of 2021.

CERF PROGRAM BASICS (Slide 3 of 7)

\$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.

CERF Implementation Timelines

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

CORE ACTIVITIES OF CERF (Slide 5 of 7)

- The Planning Grant solicitation will be released in **May 2022** with awards being made in **July 2022**.
- Regional and sub-regional economic recovery and transition plans (regional plans) will be developed through “**skilled and impartial conveners**” who will be funded to build **inclusive planning tables**. The regional plans will be:
 - Developed in a manner that provides equitable public participation and input
 - Focused on economic recovery, growth, and resilience across multiple sectors and contain the essential elements of a high road strategy
 - Based on industry cluster and labor market analysis
 - Used, where possible, for the development of sustainable and resilient industries, such as renewable energy 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 RESOURCES (Slide 6 of 7)

Following a public comment period, the Labor and Workforce Development Agency, the Office of Planning and Research, and GO-Biz finalized the boundaries of the 13 CERF regions in California.

The map on the right displays the FINAL 13 regions. Here is a link to the Final CERF Map and FAQ –

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.edd.ca.gov%2FJobs%2Fnotices%2Fdocs%2Fwsin21-25att.docx&wdOrigin=BROWSELINK>

- **OPR Webpage:** <https://opr.ca.gov/economic-development/just-transition/cerf.html>
- **CERF Fact Sheet:** <https://opr.ca.gov/economic-development/just-transition/docs/20220325-CERF%20Fact%20Sheet.pdf>
- **Round Two - CERF Draft:** [https://opr.ca.gov/economic-development/just-transition/docs/20220419-CERF Planning Phase Draft Guidelines Public Input.pdf](https://opr.ca.gov/economic-development/just-transition/docs/20220419-CERF%20Planning%20Phase%20Draft%20Guidelines%20Public%20Input.pdf)
- **Initial CERF Draft Guidelines - Round One Guidelines and Summary of Comments** on Round One Guidelines



LISTENING SESSIONS HELP REGIONS PREPARE (Slide 7 of 7)

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 both California Forward and PolicyLink. This also includes recordings of prior listening sessions.
- **Key Connections for Listening Sessions:**
 - Ish Herrera at ish@cafwd.org and Chione Flegal chione@policylink.org
- **CERF News Updates:** <https://cafwd.org/cerfnews/>
- **CERF Policy Recommendations:**
 - California Forward and Policy Link: <https://cafwd.org/cerf/cerf-recommendations/>
 - Asm Cervantes, Chair of JEDE.



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, JEDE Committee, will facilitate this discussion.

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

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.

FYI - JEDE LEG PACKAGE IS EXPANDING

- **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 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 2226 (Cervantes) California Main Street Program:** This bill strengthens the linkages between the Governor's Office of Business and Economic Development (GO-Biz) and other state agencies that are also responsible for implementing geographically-based economic development programs, including the Main Street Program and the state-designated cultural districts. *Status:* Pending in Assembly 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 in Assembly Appropriations.
- **AB 2400 (Cervantes) California Capital Access Program:** This bill modifies California Capital Access Program (CalCAP) in preparation for \$1.18 billion in federal State Small Business Credit Initiative (SSBCI) funds, which will begin to be transferred in the second quarter of 2022. *Status:* Pending in the Assembly 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 in the Assembly Appropriations.
- **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 Assembly Appropriations.

FYI - LEGISLATION APPROVED BY JEDE IN 2022

- **AB 1679 (V. Fong) Supply Chain Advisor:** Establishes the position of the Supply Chain Coordinator within the California Business Investment Services Program at the Governor's Office of Business and Economic Development.
- **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.
- **AB 2314 (Petrie-Norris) Predatory Lending and SSBCI Programs:** Requires all loans which receive a loan guarantee issued under the state's Small Business Loan Guarantee Program or are enrolled in the California Capital Access Program to meet specified fair lending practices, as specified, if the funding used to back those credit enhancements are moneys received by the state from the federal State Small Business Credit Initiative.

FYI - MORE LEGISLATION APPROVED BY JEDE IN 2022

- **AB 2376 (Petrie-Norris) Finance-Ready Small Businesses:** Requires the Office of the Small Business Advocate (OSBA) to serve as the lead state government entity for helping California small businesses become finance-ready relative to state programs utilizing federal funds received by the state from the federal State Small Business Credit Initiative (SSBCI). As part of these duties, the bill requires the establishment of a one-stop-capital shop, an online platform for small businesses and technical assistance providers to access information on available loan information.
- **AB 2819 (Cooley) Rural California Infrastructure Act:** Establishes the Rural California Infrastructure Act for the purpose of awarding \$1 billion in grants to local agencies for rural infrastructure projects, including fairground maintenance, disaster preparedness, highway or street maintenance or repair, and historic or cultural preservation or repair.
- **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.



The Department of Finance welcomes you to the

California Budget

2022-23

Gavin Newsom Governor
State of California

**FUNDING AND PROGRAMS FOR THE
2022-23 BUDGET**

May Revision Update

MAY REVISE

([HTTPS://WWW.EBUDGET.CA.GOV/2022-23/PDF/REVISED/BUDGETSUMMARY/FULLBUDGETSUMMARY.PDF](https://www.ebudget.ca.gov/2022-23/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf))

- Despite the challenges of COVID-19 and the increase in natural disasters related to climate change, CA is creating more new jobs than any other state—more than 1 million in the last 12 months alone.
- General Fund revenues are estimated to be nearly \$55 billion higher than January, even after the temporary limitation of business tax credits was restored earlier this year.
- The May Revision:
 - Reflects \$37.5 billion in budgetary reserves, additional deposits into the state’s Rainy Day Fund, and the pre-payment of future state debts.
 - Is based on \$49.2 billion in discretionary surplus, with the overall budget plan spending 94% of the discretionary surplus on one-time expenditures.
- May Revision Proposals:
 - \$18.1 billion in direct relief to millions of Californians to help offset rising costs and projects that the minimum wage will be boosted for millions of workers.
 - Adds to already substantial state investments to address homelessness and mental health.
 - Funding to make neighborhoods safer, including \$285 million for victims of crime and \$50 million for officer wellness.
 - Additional protection from the impacts of wildfire and drought, and bolsters the state's electrical grid to keep Californians safe.
 - \$65 million ongoing General Fund for the Office of Community Partnerships and Strategic Communications (Office) to formalize and leverage the infrastructure and work of the Census 2020 and COVID-19 public awareness and community engagement campaigns.

2022-23 May Revision
General Fund Budget Summary
(Dollars in Millions)

	2021-22	2022-23
Prior Year Balance	\$37,698	\$15,425
Revenues and Transfers	\$226,956	\$219,632
Total Resources Available	\$264,654	\$235,057
Non-Proposition 98 Expenditures	\$165,590	\$145,071
Proposition 98 Expenditures	\$83,639	\$82,292
Total Expenditures	\$249,229	\$227,363
Fund Balance	\$15,425	\$7,694
Reserve for Liquidation of Encumbrances	\$4,276	\$4,276
Special Fund for Economic Uncertainties	\$11,149	\$3,418
Public School System Stabilization Account	\$7,293	\$9,519
Safety Net Reserve	\$900	\$900
Budget Stabilization Account/Rainy Day Fund	\$20,325	\$23,283

Note: Numbers may not add due to rounding.

General Fund Expenditures by Agency

(Dollars in Millions)

	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$20,360	\$14,896	-\$5,464	-26.8%
Business, Consumer Services & Housing	2,291	1,359	-932	-40.7%
Transportation	3,109	1,270	-1,839	-59.2%
Natural Resources	14,287	8,734	-5,553	-38.9%
Environmental Protection	5,326	585	-4,741	-89.0%
Health and Human Services	53,142	67,175	14,033	26.4%
Corrections and Rehabilitation	14,422	14,647	225	1.6%
K-12 Education	81,706	78,012	-3,694	-4.5%
Higher Education	22,337	23,192	855	3.8%
Labor and Workforce Development	1,577	2,126	549	34.8%
Government Operations	11,235	4,938	-6,297	-56.0%
General Government:				
Non-Agency Departments	1,915	2,059	144	7.5%
Tax Relief/Local Government	12,138	658	-11,480	-94.6%
Statewide Expenditures	5,384	7,713	2,329	43.3%
Total	\$249,229	\$227,363	-\$21,866	-8.8%

Note: Numbers may not add due to rounding.

2022-23 Total State Expenditures by Agency

(Dollars in Millions)

	<u>General Fund</u>	<u>Special Funds</u>	<u>Bond Funds</u>	<u>Totals</u>
Legislative, Judicial, Executive	\$14,896	\$187	\$143	\$15,225
Business, Consumer Services & Housing	1,359	1,203	937	3,499
Transportation	1,270	16,618	95	17,983
Natural Resources	8,734	1,841	655	11,231
Environmental Protection	585	4,997	14	5,597
Health and Human Services	67,175	33,244	-	100,420
Corrections and Rehabilitation	14,647	4,049	-	18,696
K-12 Education	78,012	327	1,488	79,827
Higher Education	23,192	131	1,090	24,414
Labor and Workforce Development	2,126	981	-	3,106
Government Operations	4,938	274	10	5,221
General Government				
Non-Agency Departments	2,059	1,792	2	3,853
Tax Relief/Local Government	658	3,319	-	3,976
Statewide Expenditures	7,713	-108	-	7,605
Total	\$227,363	\$68,855	\$4,434	\$300,653

Note: Numbers may not add due to rounding.

General Fund Revenue Sources

(Dollars in Millions)

	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Personal Income Tax	\$136,397	\$137,454	\$1,057	0.8%
Sales and Use Tax	32,750	33,991	1,241	3.8%
Corporation Tax	46,395	38,464	-7,931	-17.1%
Insurance Tax	3,468	3,667	199	5.7%
Alcoholic Beverage Taxes and Fees	430	435	5	1.2%
Cigarette Tax	54	49	-5	-9.3%
Motor Vehicle Fees	36	37	1	2.8%
Other	13,108	8,493	-4,615	-35.2%
Subtotal	\$232,638	\$222,590	-\$10,048	-4.3%
Transfer to the Budget Stabilization Account/Rainy Day Fund	-5,682	-2,958	2,724	-47.9%
Total	\$226,956	\$219,632	-\$7,324	-3.2%

Note: Numbers may not add due to rounding.

EARLY ACTION BUDGET (FEBRUARY 2022)

■ Tax Benefits:

- Restored the **research and development credits** and the authority for claiming **net operating losses**, which were limited during the COVID-19 Recession. [LAO Analysis](#)
- Exempted amounts received by businesses from the federal **Restaurant Revitalization Fund** and **Shuttered Venue Operators Grant** programs from state income tax and allowing normal deductibility for the expenses related to the grants. [LAO Analysis](#)
- These proposals reduced revenues by **\$130 million** in 2021-22 and **\$144 million** in 2022-23, and will result in nearly **\$500 million** total revenue loss over several years.

■ Small Business Grants:

- Provided **\$150 million** for an additional round of funding under the California Small Business COVID-19 Relief Grant Program.
- Total appropriations for the grant program increased to approximately **\$4.2 billion** (\$2.7 billion General Fund and \$1.5 billion federal funds).

MAY REVISION — GENERAL TAX REBATES

May Revision increases infrastructure improvements to local roads, transit systems, broadband infrastructure, and the energy grid.

■ **Broad-based Relief:**

- \$11.5 billion for rebates to households based on \$400 per registered vehicle
- \$750 million in incentive grants to transit and rail agencies to provide free transit for Californians for three months.
- \$439 million for a 12-month pause, effective October 2022, on the diesel sales tax rate of 3.9375% - \$327 million in 2022-23 and \$112 million in 2023-24.

■ **Targeted Relief to Those Most Impacted:**

- \$2.7 billion for rental assistance, \$1.2 billion for payments for outstanding utility arrearages built up during the pandemic, and \$168 million from multiple sources covering all family fees for subsidized child care programs.
- \$304 million to reinstate health care subsidies for the middle class if federal subsidies expire.
- \$933 million for retention bonus payments to approximately 600,000 workers in hospitals and nursing homes.

MAY REVISE — TAX INCENTIVES FOR BUSINESSES

- **Paycheck Protection Program (PPP):** \$450 million reduction in revenue over the next five fiscal years to fully conform state tax rules with the federal government relative to small businesses that received PPP loans. Due to an extension in the federal program, only some PPP loans were excluded under prior legislation. Federal tax conformity will reduce state revenues by \$160 million in each of 2021-22 and 2022-23. [TB Language](#)
- **Main Street Tax Credit:** Authorize businesses who made Main Street credit reservations, but were not able to claim the credits on their original return in 2020 and 2021 due to a lack of tax liability to claim those credits in the following five tax years.
- **California Competes Tax Credit:** Extends the California Competes (CalCompetes) tax credit program a sunset date of 2022-23 to 2027-28 at the current level of credit of enhanced allocation authority \$180 million per year. [TB Language](#)

MAY REVISE — GRANTS TO BUSINESSES

- **CA Small Business Hard-Hit Industries Grant:** \$500 million one-time GF to make grants to small businesses and nonprofits in top 10 hardest-hit industries in the pandemic. 5% state adman allowed.
 - Focus of the grants will be to accelerate job growth, promote equity and inclusivity, and establish sustained post-recovery growth for the top ten industries hardest hit by the pandemic.
 - Small businesses and nonprofit organizations are defined as having gross receipts under \$5 million.
 - Grants will range from \$10,000 to \$50,000, depending on their annual gross revenue.
- **CA Competes Grants:** \$120 million one-time GF for a second round of grant making.
 - Funding could serve as the required matching funds for businesses to qualify for federal funds to address the state and national security priority of increasing domestic semiconductor research, development and manufacturing.
- **CA Small Agricultural Business Drought Relief Grant Program:** \$75 million one-time GF with 5% adman allowed.
 - Agriculture-related businesses that have been affected by severe drought conditions. Grant awards range from \$30,000 to \$50,000, depending on annual gross revenue decline.
 - Prioritized to businesses located in regions hardest hit by drought impacts.
 - Administered by CalOSBA, in consultation with the California Department of Food and Agriculture, and will be modeled after other CalOSBA programs providing relief to small businesses.

MAY REVISE — MORE BUSINESS GRANTS

- **Climate Innovation Grant:** \$1.05 billion conversion of two tax credit programs proposed in the January (CA Headquarter Tax Credit and the Green technology Tax Credit) into grant programs administered by the California Energy Commission.
 - Grants will be made to qualified companies that are headquartered in California that are investing in research that assists California in achieving its climate goals. In exchange, the state will receive an equity share should the new technology be profitable.
 - In awarding grants, consideration will be given as to whether the companies' investments are moving from a state that has enacted anti-LGBTQ+ or reproductive rights laws.
 - \$1.05 billion over four fiscal years: \$100 million in 2022-23, \$325 million in each of 2023-24 and 2024-25, and \$300 million in 2025-26.
- **Public Works and Economic Adjustment Assistance Grant Program:** Establish a new competitive grant program, which will be administered through the existing California Business Investment Service Program and funded with \$1.17 billion in federal Economic Administration funds. Up to 5% of funds may be used for GO-BIZ' own administrative costs.

MAY REVISION — GO-BIZ PROGRAM DETAILS

- **CA Ports:** Adds program details on use of the \$30 million for operational and process improvements to the port funds. Specifies that \$2.1 million is for GO-Biz to undertake data analysis. Also extends the encumbrance date and allows GO-Biz to use 3% of the appropriations to pay for their own administrative costs. [Old Language](#)
- **Retail Theft Grant:** Extend the encumbrance date and allow OSBA to use 3% of the funds to pay for their own administrative costs.
- **Immigration Services:** Establish the \$10.7 million program through the budget, rather than a trailer bill.
- **Venture Capital Program:** Authorize statutory change to allow for the creation of a Venture Capital Program, which will be funded with State Small Business Credit Initiative Funds. Also authorize two PYs to staff the new program. Language pending.

MAY REVISION — GO-BIZ PROGRAM REVISIONS

- **California Microbusiness COVID-19 Relief Grant Program:** Extend encumbrance of \$50 million and program changes.
- **CA Nonprofit Performing Arts Grant:** Extend encumbrance of \$49.5 million and program changes.
- **CA Venues Grant Program:** Extend encumbrance of \$150 million and program changes.
- **Cultural institutions COVID-19 Relief Grant:** Extend encumbrance of remaining \$20 million and program changes.

MAY REVISE - INFRASTRUCTURE INVESTMENTS

- **\$17 billion** in state funds to the \$20 billion allocated in the Governor's Budget 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, support drought resiliency and response, among other investments.
 - The May Revision includes an additional **\$1.1 billion** for broadband, **\$500 million** for housing, **\$500 million** for active transportation, and **\$650 million** to expand efforts to build more housing for homeless individuals.
 - These investments are on top of the **\$13.9 billion in new federal formula funding** from the Infrastructure Investment and Jobs Act that will support transportation, broadband and other infrastructure projects over the next five years.
- Every \$1 billion invested in infrastructure is expected to create approximately 13,000 good-paying jobs in California.
- Combined, the state and federal infrastructure investments are projected to add 700,000 jobs.

MAY REVISE — MORE NEW INFRASTRUCTURE INVESTMENTS

- **Broadband Middle Mile:** \$600 million one-time General Fund in 2023-24 and \$500 million one-time General Fund in 2024-25 to California Department of Technology to support the completion of the Broadband Middle-Mile Initiative. This is part of the \$1.1 billion in additional broadband funding.
 - The 2021 Budget Act provided \$3.25 billion for the purpose of building an open-access middle-mile broadband network. Revised estimates indicate a need for this additional funding to complete the Broadband Middle-Mile Initiative due to increased costs of labor and supplies.
- **Community Resilience Centers:** \$170 million one-time over two years for the Strategic Growth Council, to provide grants to communities seeking to build or upgrade existing facilities to serve as community resilience centers that mitigate the public health impacts of extreme heat and other emergency situations exacerbated by climate change.
 - This funding will build upon \$100 million provided for resilience centers in the 2021 Budget Act.
- **CCC Facilities:** \$403 million General Obligation bond funding for the construction phase of 19 projects anticipated to complete design by Spring 2023, the design phases of 2 projects, and both the working drawings and construction for 1 project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.

MAY REVISE — MORE INFRASTRUCTURE INVESTMENTS

Transition to Clean Energy: \$250 million one-time General Fund to the IBank for the development of clean energy projects and collaborative financing with the US Department of Energy. Also establish a new **Transition and Energy Financing Section** at the IBank. Up to 2.5% can be used as cover IBank administrative costs. This is part of the Energy Package.

Higher Education: The May revise makes further investments in the five-year compacts with each higher education system by strengthening career pathways and **making infrastructure investments** at the state's universities, including:

- \$500 million for a new Immunology and Immunotherapy Institute at UCLA
- \$80 million for a new San Diego State University, Brawley Center to further support education in the Lithium Valley
- \$67.5 million for a new engineering and computer science innovation hub at CSU, Fullerton.
- \$25 million one-time General Fund to support equipment and facilities for CSU University Farms, providing a total of \$75 million for this purpose when combined with the Governor's Budget investment

MAY REVISION FUNDING THAT MAY DIRECTLY IMPACT JEDE STAKEHOLDERS

- **Nonprofit Security Grant Program** – \$50 million GF to provide security assistance to nonprofit organizations at risk of hate-motivated violence, which includes members of the Asian American Pacific Islander, LGBTQ+, Black, and Jewish communities.
- **Responding to the Pandemic** – \$29.5 million GF to continue COVID-19 testing efforts and provide resources to activate the state's mutual aid system in the event of future outbreaks.

MAY REVISE - WORKFORCE

- **High Road Training Partnerships:** \$17 million General Fund over two years to the California Workforce Development Board to expand high road training partnerships in industry sectors that support the state's response to extreme heat, such as heating, ventilation and cooling, cool roofs, urban forestry, climate smart natural resource management, as well as other industries identified through collaboration with other state agency partners.
 - The January Budget included \$550 million to expand climate workforce strategies and \$1.7 billion for various workforce development programs.
- **Online Job Training and Workforce Development:** An increase of \$1.4 million one-time General Fund to support online job training and workforce development resources targeting older adults and veterans at California's local libraries, building upon the Governor's Budget investment of \$8.8 million to support two additional years of free online job training and workforce development programs available through public libraries.

MAY REVISE - K-12

- **General Upgrades to K-12:** \$19.6 billion in Proposition 98 GF, which will support the continued reshaping of California public schools:
 - More funding for community schools and universal high-quality school meals.
 - \$200 million to develop and repair existing child care infrastructure, especially in low-income communities
 - Extends family fee waivers and reimburses child care and state preschool providers based on contracted hours of care in lieu of attendance.
- **California Healthy School Meals Pathway Program:** \$45 million one-time Proposition 98 General Fund to support the implementation of the California Healthy School Meals Pathway Program, which is a pre-apprenticeship, apprenticeship, and fellowship workforce training pipeline pilot program for school food service workers.

MAY REVISE — HIGHER EDUCATION

- **Apprenticeship Program Related and Supplemental Instruction (RSI) Rate:** \$16.9 million ongoing Proposition 98 General Fund to align the apprenticeship program RSI rate with the Student Centered Funding Formula credit rate, as opposed to the noncredit rate.
- **Center for Responsible, Decentralized Intelligence:** Increase of \$5 million one-time General Fund to support the Center for Responsible, Decentralized Intelligence at UC Berkeley, which promotes research, education, and entrepreneurship in blockchain and Web3.
- **Ralph J. Bunche Center:** An increase of \$5 million one-time General Fund to support the Ralph J. Bunche Center for African-American Studies at UCLA.
- **Graduate Medical Education - Prop. 56 Backfill:** An increase of \$2.1 million General Fund compared to the Governor's Budget adjustment for this purpose, to maintain funding for graduate medical education at \$40 million annually.
- **Foster Youth Support Services:**
 - An increase of \$1.5 million General Fund to support First Star Foster Youth Cohorts at CSU East Bay and CSU Northridge.
 - An increase of \$10 million ongoing Proposition 98 General Fund to expand availability of foster youth support services offered by the NextUp program. [TB Language](#)
- **Student Equity and Achievement:** An increase of \$25 million ongoing Proposition 98 General Fund for an approximately 5% increase to the Student Equity and Achievement program.

INITIAL PROPOSED BUDGET — GO-BIZ

BUDGET SUMMARY: <HTTPS://WWW.EBUDGET.CA.GOV/BUDGET/2022-23/#/DEPARTMENT/0509>

LAO ANALYSIS: <HTTPS://LAO.CA.GOV/PUBLICATIONS/REPORT/4529>

- **\$1.1 billion** in federal **State Small Business Credit Initiative** funds to be split evenly between the IBank and the California Pollution Control Financing Authority to provide credit supports and a new equity fund program. **May Revise adds program details.**
- **\$25 million** GF to the IBank for the **Climate Catalyst Fund** to support programs that create a healthy, resilient, and equitable food system; promote climate smart agriculture to support long-term sustainability and resilience; and address economic recovery and high-road job growth. This is part of a \$1.1 billion agriculture package.
- **\$23 million** ongoing (a \$6 million annual increase from prior years) for the **Small Business Technical Assistance Expansion Program** and proposes to **make the program permanent**.
- **\$20 million** GF to be expended over four years and used to expand, **revise**, and rebrand the iHub program as the “**Accelerate CA: Inclusive Innovation Hubs program**” to focus on inclusive economic growth, including the addition of three more centers (bringing the total to 13 centers) and the provision of **\$100,000** to five selected businesses by each of the Inclusive Innovation Hubs.
- **\$11.6 million** GF in 2022-23, and \$500,000 annually thereafter, for GO-Biz to support statewide coordination for immigrant entrepreneur integration and support other economic development activities for underserved small businesses and entrepreneurs. **May Revise adds program details.**
- **\$3 million** ongoing GF (same funding level as prior years) for the **California Capital Infusion Program** and proposes to make the program permanent.

INITIAL BUDGET PROPOSAL — BUSINESS INCENTIVES

- **\$39.8 million** to waive **various documents** small businesses are required to file with the Secretary of State from July 1, 2022, through June 30, 2023. LAO Analysis of the proposal is [here](#).
- **Commitment to support** the development of naturally occurring resources, including **Lithium Valley**, to improve the state's ability to store renewable energy while creating high-paying jobs and generating benefits for surrounding communities and all Californians.
- **Changes are proposed to the elective pass-through entity tax** which was approved in CA to help offset the impact of federal tax changes in 2017.

INITIAL BUDGET PROPOSAL — RETAIL THEFTS

\$31 million to address the rise in retail theft:

- **\$20 million** GF to GO-Biz to create a grant program to support small businesses victimized by smash-and-grabs or that have suffered damage caused during retail theft incidents.
- **\$6 million** GF to the CHP to provide a total of \$15 million on an ongoing basis for the Organized Retail Crime Task Force (Smash and Grab Enforcement Unit) to crack down on organized retail theft in the Bay Area, Sacramento, San Joaquin Valley, Los Angeles, and San Diego regions.
- **\$5 million** ongoing GF for the Attorney General to continue leading anti-crime task forces throughout the state

Initial Budget Proposal – Supply Chain and Port Infrastructure

LAO analysis-https://lao.ca.gov/Publications/Report/4540?utm_source=laowww&utm_medium=email&utm_campaign=takeaways

Governor Proposes **\$1.4 Billion** over 4 year for Supply Chain and Port Infrastructure. The package consists of:

- **\$1.2 billion** for the California State Transportation Agency to fund port, freight, and goods movement infrastructure;
- **\$110 million** for the California Workforce Development Board to establish a goods movement workforce training campus;
- **\$40 million** for the Department of Motor Vehicles to increase capacity to issue commercial driver's licenses (CDLs); and
- **\$30 million** for the Governor's Office of Business and Economic Development (GO Biz) to fund operational and process improvements at the ports. **Updated in May Revise**

Initial Budget Proposal – UI FUND DEBT

\$3.4 billion Unemployment Insurance (UI) Package:

- **\$3 billion** over two years (\$1 billion in 2022-23, and \$2 billion GF in 2023-24) to pay down a portion of the state's UI debt. LAO estimates that the proposed state payment would reduce the outstanding loan balance by about 15%.
- **\$470.1 million** to pay the forecasted UI interest payment, which will accrue over the full federal fiscal year and come due in September 2022.

The LAO estimates that the \$3 billion payment would reduce GF interest costs over the repayment period by a total of **\$550 million** to \$1.1 billion.

Beginning in 2023, employers will be required to pay an add-on federal UI Tax based on a rate that is **set in 2022 and charged against 2022 work**. The LAO estimates that this proposal could reduce employer payroll tax costs in roughly ten years.

According to the LAO, CA employers **are not** required to repay any of the fraudulent federal benefits.

The LAO analysis can be found [here](#). A full description of the UI system is found [here](#).

Initial Budget Proposal – COLLEGE AND CAREER PATHWAYS IN K-12

[HTTPS://WWW.EBUDGET.CA.GOV/2022-23/PDF/BUDGETSUMMARY/K-12EDUCATION.PDF](https://www.ebudget.ca.gov/2022-23/pdf/BudgetSummary/K-12Education.pdf)

- \$1.5 billion Proposition 98 GF over four years to support the development of pathway programs focused on technology, health care, education, and climate-related fields.
- \$500 million Proposition 98 GF over four years to strengthen and expand student access and participation in dual enrollment opportunities that are also coupled with student advising and support services.
- \$45 million GF for complimentary activities in higher education funding for curricular pathways software and public-private partnerships for STEM, education, and health care career preparation.
- Increase and Expand Agriculture Programs:
 - \$30 million GF to establish additional farm to school demonstration projects.
 - An increase of \$2 million ongoing Proposition 98 GF to support an augmentation to the Agricultural Career Technical Education Incentive Grant program.
 - \$3 million ongoing GF to increasing staffing and expand the regional California Farm to School Network.

Initial Budget Proposal – HIGHER EDUCATION

[HTTPS://WWW.EBUDGET.CA.GOV/2022-23/PDF/BUDGETSUMMARY/HIGHEREDUCATION.PDF](https://www.ebudget.ca.gov/2022-23/pdf/BUDGETSUMMARY/HIGHEREDUCATION.PDF)

\$39.6 billion (\$26 billion GF and local property tax and \$13.6 billion other funds) for the three higher education segments and the California Student Aid Commission.

- The Administration worked with the UC, CSU, and the CCC Chancellor's Office to develop **multi-year compacts** that will provide **sustained state investments in exchange for clear commitments** from each segment to expand student access, equity, and affordability and to **create pathways** for students to study and enter careers in health, education, climate action, and technology.
- Establishing **coordinated educational pathways** from high school through four-year institutions in the high-need fields of education, healthcare, technology, and climate action, including collaborating with CCC, UC, and CSU to develop related Associate Degree for Transfer pathways.
- The Administration is establishing an overarching goal of achieving **70% postsecondary degree and certificate attainment** among working-aged Californians by 2030.
- An increase of **\$300 million** GF for the **Learning-Aligned Employment program**, which provides a two-year total of \$500 million.

Initial Budget Proposal – CAREER EDUCATION AND WORKFORCE TRAINING AT COMMUNITY COLLEGES

The CCC Compact also calls for increased support for workforce preparedness and high-demand career pipelines by:

- An increase of \$130 million Proposition 98 GF, of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25, to support CCC **healthcare-focused vocational pathways** for English language learners across all levels of English proficiency, through the Adult Education Program.
- **CCC College and Career Pathways:** Additional \$20 million Proposition 98 GF for a CCC grant program that incentivizes public-private partnerships that **prepare students in grades 9 through 14** for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare. Six-year program. [TB Language](#)
- **CCC Teacher Credentialing Partnership Program:** An increase of \$5 million Proposition 98 General Fund to support the Teacher Credentialing Partnership Program. [TB Language](#)
- **CCC Economic and Workforce Development Program:** Extends the sunsets from January 1, 2023 to January 1, 2027. [TB Language](#)

Initial Budget Proposal – TRANSITION TO A CARBON-NEUTRAL ECONOMY

- **\$9.1 billion** (\$4.9 billion GF and \$4.2 billion Proposition 1A bond funds) to support the continued development of an electrified high-speed rail system in California, regional transit and rail projects, bicycle and pedestrian projects, and climate adaptation projects, with a particular focus on aligning the state's transportation system with its climate goals.
 - **\$6.1 billion** for a Zero-Emission Vehicle Package, including low-income vehicle purchases and port electrification.
 - **Transportation Climate Adaptation Program:** **\$XX** and establishes a State Transportation Infrastructure Climate Adaptation Program, administered by CalTRANS, and a Local Transportation Infrastructure Climate Adaptation Program, administered by the CA Trans Commission, for purposes of planning and implementing projects adapting transportation infrastructure to climate change. [TB Language](#)
 - **Workforce Grant:** \$20 million GF to CWDB annually from 2022-23 through 2024-25 for a total of \$60 million, to fund its **Low Carbon Economy Workforce Grant Program** to support workforce development programs that align with strategies in the state's Climate Change Scoping Plan.
- **\$2 million** GF annually for two years to coordinate a market development strategy within the forestry sector. These resources are part of a \$1.2 billion package of investments that address the state's wildfire risks.
- **\$574,000** Greenhouse Gas Reduction Fund (GGRF) ongoing to OPR to support the California Air Resources Board in updating the GGRF grant guidelines and eligibility, and support grant applicants connecting with workforce development resources in their region pursuant to Chapter 746, Statutes of 2021 (AB 680).

Initial Budget Proposal – MORE CLIMATE-RELATED PROPOSALS

- \$2 billion Clean Energy Package: Multiyear appropriations, highlights below [TB Language](#) [LAO Handout](#)
 - \$323 million GF in 2022-23 to the CEC for building decarbonization
 - \$140 million GF in 2022-23 to the CEC for incentives for long duration storage projects
 - \$110 million GF in 2022-23 to the CEC for industrial decarbonization
 - \$100 million GF in 2022-23 to Department of Water Resources for Orville pump storage project
 - \$100 million GF in 2022-23 to CEC for green hydrogen
 - \$85 million GF in 2022-23 to CEC for Food Production Incentive Grant
- \$113 million annually from the Alternative Fuel and Vehicle Technology Fund to implement the requirements of SB 589, Chapter 732, Statutes of 2021, which requires a workforce assessment for the deployment of electric vehicle charging infrastructure.
- \$399,000 from the GGRF to implement AB 680, Chapter 746, Statutes of 2021, which requires CARB to work with the Labor Agency to update CA Climate Investment Funding Guidelines by July 1, 2025.
- \$3.4 million GF to CARB to implement AB 794, Chapter 748, Statutes of 2021, which requires CARB to implement labor standards for short-haul and drayage trucking fleet, including the use of 3rd party reporting.

Initial Budget Proposal – MORE CLIMATE-RELATED PROPOSALS

\$3.7 billion for a Climate Resilience Package.

- **Phase-Out Oil Production:** \$715 million to support the phase-out of CA oil production:
 - \$450 million GF to GO-BIZ to establish a **Local Government Budget Sustainability Fund** to provide grants to counties that both are facing sustainability challenges and are committed and willing to advancing a more climate-resilient local economy. 2023-24 - \$100 million; 2024-25 - \$100 million; and 2025-26 - \$250 million.
 - \$215 million GF over two years for workforce training to support an oil and gas well capping initiative to improve the safety of communities while providing high-quality jobs.
 - \$50 million GF to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.

Initial Budget Proposal – HIGHER EDUCATION CLIMATE AND INNOVATION INITIATIVES

- **\$318 million** GF for five climate initiatives across the UC and CSU, with an emphasis on equity-focused research, job creation, and workforce development:
 - **\$185 million** for climate-related research and development, including **\$100 million** at the UC for matching applied research grants, **\$50 million** for regional incubators, and **\$35 million** for workforce development and training hubs.
 - **\$83 million** to create the CSU Bakersfield Energy Innovation Center and **\$50 million** to support the CSU University Farms.
- **\$20 million** GF to OPR to support a grant to Carnegie Science for the **Pasadena Climate Research Hub facility**.
- **\$19.3 Million** GF to OPR to support **Precision Medicine**, including a **\$10 million** to administer a competitive grant program and **\$9.3 million** to increase participation of underrepresented communities in biomedical research.
- **\$33 million** GF to OPR for the **CA Education Learning Lab**, including:
 - **\$30 million** one-time to establish and make up to 30 awards under the **Golden State Awards Program** for innovative projects based at or in association with a CSU or UC.
 - **\$2 million** increase ongoing GF to **restore 2020-21 Budget Act reductions** to the CA Education Learning Lab's grant pool.
 - **\$1 million** ongoing GF for the **CA Education Learning Lab** to establish an open educational resources platform offering free and responsive homework modules in STEM.



FINAL COMMENTS AND ADJOURNMENT

Agenda Item VI



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>

BUSINESS DEVELOPMENT & BUSINESS SUPPORT

INCENTIVE NAME	TYPE	AUTHORITY	ELIGIBILITY	TOTAL \$ AVAILABLE	MAX AWARD	TIMING	CONTACT
<u>CALIFORNIA COMPETES GRANT</u> <u>*NEW*</u>	STATE GRANT	<u>STATE: GO-BIZ</u>	QUALIFYING BUSINESSES	\$120,000,000 ONE TIME	\$36,000,0000	JAN 3 - JAN 24, 2022	EMAIL: CALCOMPETES@GOBIZ.CA.GOV 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: CALCOMPETES@GOBIZ.CA.GOV PHONE: 916-322-4051
<u>CAPITAL INVESTMENT INCENTIVE PROGRAM (CIIP)</u>	PROPERTY TAX REBATE	LOCAL	SPECIFIED MFG BUSINESSES	BASED ON ASSESMENT	VARIES	ONGOING	EMAIL: CALBIS@GOBIZ.CA.GOV 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: CASF_APPLICATION_QUESTIONS@CPUC.CA.GOV
<u>ELECTRIC PROGRAM INVESTMENT CHARGE (EPIC)</u>	STATE GRANTS	<u>STATE: CEC</u>	QUALIFYING ENERGY BUSINESSES	VARIES BY PROGRAM	VARIES BY PROGRAM	ONGOING	EMAIL: ERDD@ENERGY.CA.GOV
<u>FILM & TV - SOUNDSTAGE TAX CREDIT *NEW*</u>	TAX CREDIT	<u>STATE: GO-BIZ-CFC</u>	ELIGIBLE PROJECTS	\$150,000,000 ONE TIME	\$12,000,000 (SEASON/FILM)	PENDING	EMAIL: SOUNDSTAGEINCENTIVE@FILM.CA.GOV
<u>FILM & 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: INCENTIVEPROGRAM3@FILM.CA.GOV

JOINT HEARING ON SSBCI AND INCLUSIVE RECOVERY

- On Tuesday, March 29, 2022, the Assembly Committee on Jobs and the Assembly Budget Subcommittee 4 – State Administration is holding a joint hearing on the state's implementation of SSBCI and inclusive economic growth.
- The hearing is scheduled from 1:30 to 3:30 pm. You can view the hearing on the Assembly's website at <https://www.assembly.ca.gov/todaysevents>.
- Featured speakers include the LAO, IBank, and the California Pollution Control Financing Authority, as well as a stakeholder panel and public comment.
- With over \$1.1 billion in federal funding flowing to California, this hearing is an important opportunity to learn more about the program and offer recommendations on how to align other federal, state, and local resources to maximize the impact on California small businesses.

STAY CONNECTED WITH GO-BIZ AND OPR

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

- To view the Entrepreneurship Task Force COVID-19 Rapid Response Online Sessions: <https://business.ca.gov/advantages/small-business-innovation-and-entrepreneurship/help-us-advance-entrepreneurship/>
- Subscribe to GO-Biz's Newsletter for COVID-19: <https://business.ca.gov/gobiz-newsletter-signup/>
- Subscribe to GO-Biz's OZ Updates: <https://opzones.ca.gov/sign-up/>
- Subscribe to OPR's Federal Grants E-List: <https://tinyurl.com/y9du7fg3>
- Follow @CAGOBIZ on Twitter: <https://twitter.com/CAGoBiz>
- Follow @Cal_OPR on Twitter: https://twitter.com/cal_opr?lang=en
- Subscribe to the GO-Biz YouTube Channel: <https://www.youtube.com/channel/UCregW8KZRE4k1sXVZs2bPxxw>
- 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. To join the distribution list, email ajed@asm.ca.gov

Resource Webpages:

- JEDE COVID-19 Resource Page: <https://ajed.assembly.ca.gov/content/covid-19-resources>
- Inclusive Economic Recovery Roundtables: <https://ajed.assembly.ca.gov/content/small-business-roundtables>

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