



ECONOMIC DEVELOPMENT ROUNDTABLE

SEPTEMBER 16, 2021

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

CONGRATULATIONS FOR A SUCCESSFUL NATION SMALL BUSINESS WEEK!

About National Small Business Week

For more than 50 years, the U.S. Small Business Administration has celebrated National Small Business Week (NSBW), which recognizes the critical contributions of America's entrepreneurs and small business owners. This year is one unlike the half-century that has come before.

We are facing unique challenges together. However, American small businesses continue to play a central role in building a strong country, prepared for any obstacles in the future.

More than half of Americans either own or work for a small business, and they create nearly two out of every three new jobs in the U.S. each year. As part of NSBW, the SBA takes the opportunity to highlight the impact of outstanding entrepreneurs, small business owners, and others who support entrepreneurship from all 50 states, Washington, D.C. and U.S. territories. Additionally, this year's NSBW will recognize the small businesses who have navigated the coronavirus pandemic while supporting their employees and communities. There will be a number of presenters providing retooling and innovative practices for entrepreneurs as our nation's small businesses look to pivot and recover towards a stronger economy.

Every day, they're working to grow small businesses, create 21st-century jobs, drive innovation, and increase America's global competitiveness.



WELCOME AND OVERVIEW

Agenda Item I

AGENDA

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

JEDE CHAIR ASSEMBLYMEMBER SABRINA CERVANTES

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



REFLECTIONS ON CALIFORNIA'S RE-OPENING

It has been a challenging 18 months.

Working together – we have helped our communities endure.

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

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

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

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

- California is forecasted to **outpace the country's economic recovery**, ranked as the **No. 1 U.S. economy** for “expanding GDP, raising household income, investing in innovation,” and more.
- California gained an average of 105,500 nonfarm jobs per month from April 2020 through July 2021—a level of job growth not seen previously in the official data series that began in 1990.
- More than **48 million vaccinations** have been administered in California, with over **74%** of adults having at least one shot.
- From August 29, 2021 to September 4, 2021, unvaccinated people were 8 times more likely to get COVID-19 than fully vaccinated people.
- California has 4,387,926 confirmed cases of COVID-19, resulting in 67,187 deaths.



ECONOMIC DATA

Agenda Item II

DATA POINTS

FEDERAL Unemployment – 5.2% (August 2021)

- ❖ US nonfarm payroll employment increased by 235,000 in August 2021, and the unemployment rate was -0.2% with 8.4 million people unemployed.
- ❖ Greatest job growth in June occurred in leisure and hospitality, public and private education, professional and business services, retail trade, and other services.
- ❖ The August 2021 unemployment rates: 11.2% for Teenagers, 4.8% Adult Women, 5.1% Adult Men, 8.8% for Blacks, 6.4% for Hispanics, 4.6% for Asians, and 4.5% for Whites.
- ❖ The labor force participation rate was 61.7%, 1.6% lower than February 2020.
- ❖ There were 5.7 million persons not in the US labor force who currently want a job, 700,000 higher than in February 2020.

CALIFORNIA Unemployment – 7.6% (July 2021)

- ❖ Total nonfarm employment in CA for July 2021 was 17.4 million, reflecting an increase of 56,000 jobs from the prior month, up 7.5% from the prior year.
- ❖ CA reported over 1.4 million unemployed individuals for the month of July 2021, this is -0.4% lower than July 2020. The labor participation rate of 60.9% represents an increase of 0.6% from the prior year.
- ❖ Between July 2020 to July 2021, CA employment was up by 1.2 million workers.
- ❖ July 2021 unemployment rates: 18.0% for Teenagers, 12.9% for Blacks, 10.1% for Hispanics, and 8.5% for Whites.
- ❖ 24.5% of the people who filed for some form of unemployment-related benefits in the week ending September 4, 2021, only had a GED, high school diploma, or less formal education.
- ❖ \$173 billion paid to out-of-work Californians since start of pandemic.
- ❖ Over 929 million people (5.4% of all workers) worked part time involuntarily, also called “for economic reasons.” This is a 0.3% (3,000 people) increase from July 2020.

Measuring the Nation's Social and Economic Well-Being

<https://www.census.gov/library/visualizations/2021/comm/measuring-nations-well-being.html>

		2019	2020
	Median household income (in 2020 inflation-adjusted dollars)	\$69,560	\$67,521
			
	Percentage of people in poverty	10.5%	11.4%
			
	Supplemental Poverty Measure	11.8%	9.1%
			

2020 INCOME AND POVERTY IN THE US

- Real median household income decreased 2.9% to \$67,521 between 2019 and 2020.
- Between 2019 and 2020, the total number of people with earnings decreased by about 3.0 million. The number of those who worked full-time, year-round decreased by approximately 13.7 million.
- The real median earnings of all workers decreased 1.2%. For those that worked full-time, year-round earnings increased 6.9% between 2019 and 2020.
- The official poverty rate in 2020 was 11.4% (up 1.0%). First increase in poverty after five consecutive annual declines.
- In 2020, there were 37.2 million people in poverty, approximately 3.3 million more than in 2019.

TRACKING VARIANTS

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

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

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

B.1.617.2 (Delta) variant is associated with approximately 200% increased transmission. May have moderately decreased response to antibody treatments. (Delta totals include Delta sub-lineages AY.1 and AY.2)

B.1.427 and B.1.429 (Epsilon) variant is associated with approximately 20% increased transmission. There is significantly reduced efficacy of some antibody treatments.

Known Variants of “Concern” and “Interest” in California

Variant (WHO Name)	Number of Cases Caused by Variant
B.1.1.7 (Alpha)	15,758
B.1.351 (Beta)	168
P.1 (Gamma)	3,018
B.1.617.2 (Delta) includes sublineages B.1.617.2.1 (AY.1) and B.1.617.2.2 (AY.2)	48,224
B.1.427 and B.1.429	30,566

Source: Data for September 8, 2021

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

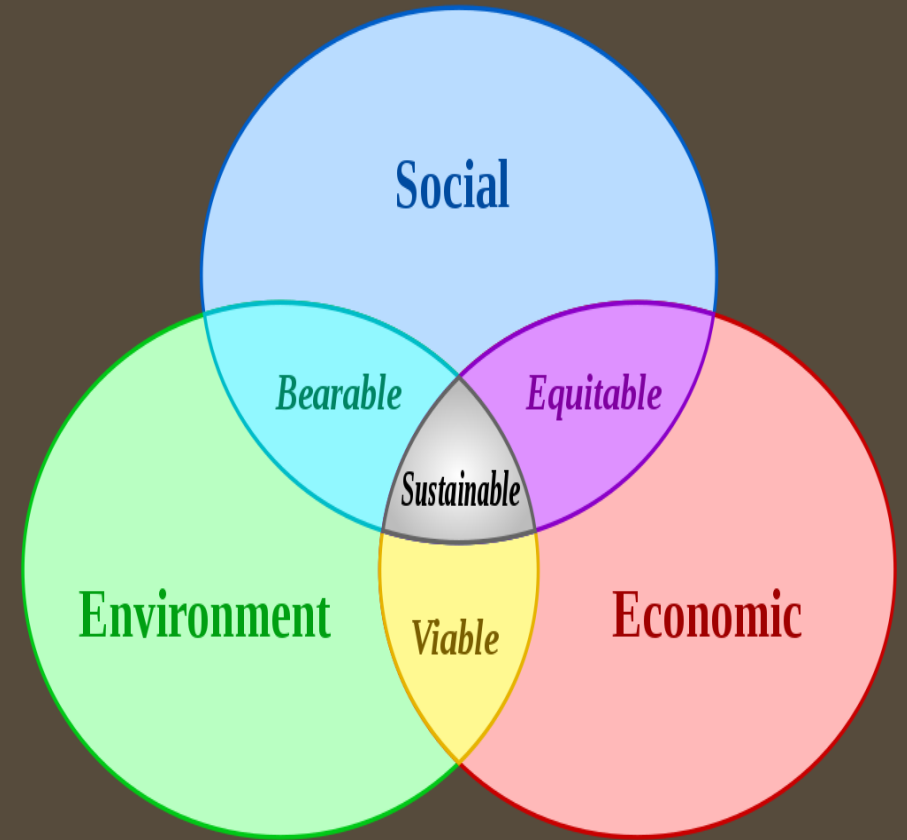


ASSOCIATION UPDATES

Agenda Item III

SPEAKERS — AGENDA ITEM III

- Tracy Stanhoff, [American Indian Chamber of Commerce of CA](#)
- Jessica Gonzales, with the [Economic Development Department](#) at City of Corona and CALED Board member
- Lorrie Aiello, with [California Manufacturing Technology Consulting](#)
- Mike Daniel, [Orange County and Inland Empire SBDC](#)



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

CALED's Rural Economic Development Exchange

- **Wednesday, October 6th from 9:30am-12:00pm**
- The Rural Exchange is a space for rural economic developers to connect with each other and hear about resources and tools.
- Confirmed Speakers:
 - **Robert Burris**, Rural County Representatives of California
 - **Ignacio Dayrit**, Center for Creative Land Recycling
 - **Tara Lynn Gray**, Office of the Small Business Advocate
 - **Dan Johnson**, USDA Rural Development
 - **Malinda Matson**, Economic Development Administration
 - **Toni Symonds**, Assembly JEDE Committee
 - Governor's Office of Business & Economic Development
- Register here: <https://caled.org/everything-ed/rural-exchange/>



GOVERNMENT CONTRACTING WEBINAR

Tuesday, 9/21

1:30 p.m.

bit.ly/GovtBidSeminar



The flyer features a background image of a classical building with columns. The main title is in large, bold, white and yellow text. Below the title, it says 'EXPLORE GOVERNMENT CONTRACTING BUSINESS OPPORTUNITIES!'. There are logos for 'CORONA CHAMBER OF COMMERCE' and 'PTAC'. The text 'FREE WEBINAR!' is prominently displayed. Three icons represent 'Date', 'Time', and 'Register'. A 'JOIN US!' section contains two bullet points. A 'THIS WEBINAR WILL DISCUSS:' section contains three bullet points with checkmarks. The footer includes contact information for the Corona Office of Economic Development.

GOVERNMENT CONTRACTING SEMINAR: *AM I READY TO DO BUSINESS WITH THE GOVERNMENT?*

EXPLORE GOVERNMENT CONTRACTING BUSINESS OPPORTUNITIES!

In partnership with:

CORONA CHAMBER OF COMMERCE | PTAC
PROCUREMENT TECHNICAL ASSISTANCE CENTER

FREE WEBINAR!

Date
Tuesday, September 21

Time
1:30 - 3:00 p.m.

Register
bit.ly/GovtBidSeminar

JOIN US!

- This is an introductory webinar for businesses interested in exploring government contracting.
- Assess your business capabilities before pursuing government contracts and learn critical first steps to prepare for procurement opportunities.

THIS WEBINAR WILL DISCUSS:

- ✓ Critical areas of your business necessary to compete on government contracts
- ✓ Steps to get your business procurement ready
- ✓ Available resources

Corona Office of Economic Development
EconDev@CoronaCA.gov | 951-736-2295

CALED's Upcoming Initiatives and Events

- **Outsmart Disaster-** Helping Manufacturers with Resiliency Planning
- **Economic Resiliency and Recovery Playbook-** Preparing for Economic Disruptions
- **Foreign Direct Investment Webinar:** Featuring Federal, State, and International experts
 - 9/21/21, 8- 9a .m. (PST) or
 - 9/21/21, 6-7 p.m. (PST)
- **CALED is hiring!**
 - Project Coordinator
 - Visit Job Posting at CALED.org
 - Contact: Michele Stephens, Program Director
Michelle@caled.org



WHAT ARE MANUFACTURING DAY AND MANUFACTURING MONTH CA?

National Manufacturing Day, an annual event that occurs on the first Friday of every October, is an occasion during which manufacturers open their doors, showcase the potential of modern manufacturing, and foster interest in manufacturing careers.

According to CMTc, “Manufacturing Day 2021 will officially be observed on Friday, October 1st, but since manufacturing in California is too big for a single day, we celebrate MFG Month CA!”

While events have typically included in-person plant tours, due to the continued effects of the COVID-19 pandemic, MFG Month CA is incorporating both in-person and virtual events this year!

[Manufacturing Month 2021 \(cmtc.com\)](https://www.cmtc.com)



IMPLEMENTATION OF ECONOMIC RECOVERY PROGRAMS

Agenda Item IV



FOCUS AREAS

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

KEY RECOVERY CHALLENGES IN 2021

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

SPEAKERS — AGENDA ITEM IV

- ❑ Toni Symonds, JEDE Committee, will facilitate our discussion.
- ❑ Matt Horton and Jade Clemons with the Milken Institute's Center for Regional Economics and California Center — New Initiative - “Modernizing Small Business Technical Assistance Initiative.”
- ❑ Roundtable participants are encouraged to use this time to share new and update on-going initiatives to address economic recovery challenges.

USPS Loyalty Program



Visit the Loyalty Program home page at: <http://www.usps.com/loyalty>

<http://www.usps.com/smallbusiness>

EXPORT NATION PODCAST



Export Nation provides informative and entertaining content highlighting America's export experts and trade-related news, successes, events and insights.

[Available on Apple Podcasts and Spotify](#)

<https://www.trade.gov/thales-defense-securitys-export-journey-us-commercial-service>



PROGRAMS WE ARE TRACKING

Approved Programs & Initiatives

TRACKING IMPLEMENTATION OF NEW AND FOLLOW-ON PROGRAMS

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

TRACKING IMPLEMENTATION OF STATE SMALL BUSINESS RESOURCES

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



STATE PROCUREMENT OPPORTUNITIES

Emergency and Disaster-related
Contracts

RISE IN EXEMPTIONS FROM STATE PROCUREMENT RULES AND ADMINISTRATIVE

- The Budget and Related Trailer Bills include a range of exemptions from otherwise applicable provision of law related to public contracts, including the supervision or approval of another department or agency of state government for the procurement of or contracting with vendors.
- The provisions often require post expenditure reporting through alternative reporting provisions. Unclear whether these contracts are then reflected in the DGS annual Consolidated Report.
- Common exemption provisions include:
 - “Contracts entered into or amended pursuant to this provision shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code [State Contracts Register], Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code [Personal Service Contracts], and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services.”
 - “Notwithstanding any other law, contracts entered into or amended pursuant to this provision shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of General Services.”
 - “Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement and administer this provision without adopting regulations.
- A more detailed example is provided in the following slide.

SB 148 (SENATE BUDGET) DROUGHT RELIEF (SIGNED JULY 12, 2021)

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



SMALL BUSINESS TECHNICAL ASSISTANCE

Outcomes, Coverage, and Impacts

UPDATES?

- AB 1072 (Reyes) Reforms to SB TAEP - Pending in Senate Appropriations Committee
- AB 1573 (JEDE) Small Business Retention Program - Pending in Senate Appropriations Committee
- Program sunsets on January 1, 2024. Need to address the sunset in 2022.
- 2021-22 Program Awards?



AMERICAN RESCUE PLAN

California Allocations & Expenditures

BIDEN AMERICAN RESCUE PLAN

[HTTPS://WWW.HKLAW.COM/-](https://www.hklaw.com/-)

</MEDIA/FILES/INSIGHTS/PUBLICATIONS/2021/03/AMERICANRESCUEPLANKEYPROVISIONS.PDF?LA=EN>

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

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



OVERVIEW OF THE STATE BUDGET

Overview and Highlights

2021-22 BUDGET HIGHLIGHTS

- \$264.1 billion spending plan, of which \$195.5 billion is from the General Fund (GF)
- \$25.2 billion (12.8% of GF reserves for 2021-22 budget), including:
 - \$4 billion in the Special Fund for Economic Uncertainties
 - \$12 billion Prop 2 Reserves, plus \$4 billion Prop 2 “True-Up” deposits for 19-20 and 20-21
 - \$3.4 billion Budget Stabilization Account – new balance \$15.8 billion – 9% of GF tax revenues
 - \$450 million discretionary deposits to the Safety Net Reserve – new balance \$900 million
 - \$4.5 billion in the Prop 98 Reserve
- \$96.1 billion Proposition 98 spending. This includes the full payoff of Proposition 98 Deferrals
- \$27 billion Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act of 2021. Total federal stimulus funds appropriated for state programs is over \$275 billion.

KEY LINKS (SLIDE 1 OF 9)

- **AB 128 (Ting) Budget Bill Text:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB128
- **Assembly Budget Committee Floor Bill Analysis (September 7, 2021):**
<https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Floor%20Report%20of%20the%202021-22%20Budget%20%28September%207%2C%202021%29.pdf>
- **SB 147 – 2020 Budget Bill Jr. Text:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB147
- **SB 129 – 2021 Budget Jr:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB129
- **SB 161 – 2021 Budget Jr 2:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB161
- **AB-164 – 2021 Budget Bill Jr. 3:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB164
- **SB 170 – 2021 Budget Jr. 4:** https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB170

GRANTS TO MITIGATE COVID-19 IMPACTS

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

GRANTS FOR NEW BUSINESS ACTIVITY

- **Big Business Expansion:** \$120 million one-time GF for GO-Biz to provide grants to businesses that create more than 500 jobs, are located within targeted census tracts, or make significant new capital investments of at least \$10 million. This grant is a new component of the California Competes Tax Credit Program, and it includes a clawback provision should grant conditions not be met by the grantee.
- **California Dream Fund Program:** \$35 million one-time GF to support microgrants of up to \$10,000 to seed business start-ups by entrepreneurs from underserved small business groups who participate in intensive business start-up training programs. Funding for the intensive business start-up training will be funded from the **Small Business Technical Assistance Expansion Program**.
- **Social Entrepreneur Seed Grants:** \$20 million one-time GF to the California Workforce Development Board for a second round of funding for the Social Entrepreneurs for Economic Development program. This program will provide \$10,000 seed grants to business start-ups who complete intensive business start-up programs.

MORE GRANTS AWARDED BY GO-BIZ

- **Local Business Development:** \$5 million to the City of Long Beach for the Center for Inclusive Business and Workforce Development.
- **Diverse Business Assistance:** \$3.5 million to the City and County of San Francisco for SF Live and Asian and Pacific Islander community business recovery.
- **Community Development Funding:** \$8 million to the City of Oakland for ESO Ventures under the California Capital in the Community Act.

GRANTS FOR NEW ZEV BUSINESS ACTIVITY

Zero-Emission Vehicle = ZEV

- **ZEV Manufacturing Incentives:** \$124.6 million to the Energy Commission to increase manufacturing of ZEVs in California, including zero-emission vehicles, ZEV components, and ZEV charging and refueling equipment.
- **ZEV Manufacturing Grants I:** \$50 million to the Energy Commission to provide direct grants to ZEV manufacturers based on number of jobs created, economic impact to the state, ability of the project to contribute to the state GHG reduction goals, and the likelihood that the manufacturer would not have moved from or expanded in the state.
- **R&D Grants:** \$400 million to the Energy Commission for research and development projects related to long duration storage; projects to produce, store, and transport green hydrogen and create a hydrogen power plant; projects to decarbonize the industrial sector; and the Food Production Investment Program.

INFRASTRUCTURE DEVELOPMENT

- **Broadband:** \$6 billion over 3-year period (\$4.3 billion in budget year) for broadband infrastructure and improved access to broadband services throughout the state. Details will continue to be worked out through three-party negotiations. Administrative flexibilities will enable the appropriated funds to be accelerated to ensure they are available as needed to fund the expansion and improvements.
 - \$3.7 billion to develop the “middle mile”
 - \$2 billion urban and rural communities to develop the “last mile”
 - \$439 million to libraries to upgrade broadband access
 - Look for “Broadband Master Plans”
- **Port Infrastructure:** \$250 million one-time federal ARPA funds to GO-Biz to allocate to California ports to address some of the revenue impacts suffered by ports as a result of COVID-19.
- **Zero Emission Charging and Refueling:** \$25 million to support charging and hydrogen refueling infrastructure for the deployment of the drayage truck pilot project.

SMALL BUSINESS TECHNICAL ASSISTANCE

- **Small Business Technical Assistance Expansion Program:** \$17 million GF (third year of a five-year agreement) to provide funding for technical assistance to small businesses. Program changes made through the adoption of a budget trailer bill expanded the definition of an eligible applicant from federal technical assistance providers, such as the federal Small Business Development Centers (SBDCs), Women's Business Development Centers, Minority Business Development Centers, Procurement Technical Assistance Centers, Veteran Business Outreach Centers, and Manufacturing Assistance Center, to include any nonprofit in the state that offers small business services. No related budget augmentation was made when increasing the pool of eligible applicants.
- **Social Entrepreneur Seed Grants:** \$20 million to the California Workforce Board for a second round of funding for the Social Entrepreneurs for Economic Development program, which includes funding for intensive business start-up courses. Entrepreneurs must complete these courses prior to receiving a \$10,000 seed grant.
- **Capital Infusion Program:** \$3 million GF (third year of a five-year agreement) for technical assistance and services provided by SBDCs to small businesses seeking new capital.

BUSINESS TAX CREDITS

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

ECONOMIC DEVELOPMENT PROGRAM

Inclusive Innovation Hub: \$2.5 million one-time GF to relaunch the California Innovation Hub program as the Inclusive Innovation Hub program (iHub2) to incentivize a focus on diversity, equity, and inclusion in the state's tech and science-based start-up ecosystem.

- **Tourism Grant:** \$95 million one-time federal ARPA funds to the Office of Tourism to implement strategic media recovery campaigns that will jump-start the recovery of the travel and tourism industry once it is safe to travel.
- **ZEV Marketing:** \$5 million GF as match funding for brand-neutral efforts to improve customer awareness of zero-emission vehicle technology and its benefits in partnership with other organizations, including vehicle manufacturers.
- **R&D Grants:** \$400 million to the Energy Commission for research and development projects related to long duration storage; projects to produce, store, and transport green hydrogen and create a hydrogen power plant; projects to decarbonize the industrial sector; and the Food Production Investment Program.

BUSINESS LOANS

- **Small Business Loan Guarantee Program:** \$20 million one-time GF to recapitalize the Small Business Loan Guarantee Program.
- **Small Business Finance Center:** \$50 million for the Small Business Finance Center to provide financial assistance to small businesses through any IBank program, including the California Rebuilding Fund, with a focus on programs that benefit underserved businesses in California.
- **Climate Catalyst Fund:** \$31 million for Revolving Loan Fund and \$2 million for GO-Biz administrative costs.

WORKFORCE TRAINING

- **Training of New and Incumbent Workers I:** \$50 million one-time GF to the Employment Training Panel to expand its programs into high-demand sectors.
- **Training of New Incumbent Workers II:** \$15 million GF to Employment Training Panel to align and operate programs with the community college system in partnership with the California Community Colleges Strong Workforce program.

HIGH ROAD WORKFORCE STRATEGIES

- **Funding to the CWDB for High Road Training Strategies:**
 - \$100 million to make additional High Road Training Partnership (H RTP) grants.
 - \$25 million one-time to establish H RTPs aligned with the California Community Colleges.
- **Regional Recovery Partnerships:** \$25 million one-time GF to the CWDB to fund Regional Equity and Recovery Partnerships between local workforce boards and community colleges

COMPETITIVELY AWARDED WORKFORCE GRANTS

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

- **Training for System Impacted Workers:** \$20 million* to support a Prison to Employment program.
- **Breaking Barriers to Employment:** \$30 million* for the Breaking Barriers to Employment Program with \$5 million earmarked for programs that serve individuals with autism.
- **Residential Construction:** \$10 million* to develop earn-and-learn apprenticeship training programs in residential construction.
- **Nurse Training:** \$14.5 million to the Community Colleges to expand certified nurse assistant programs.
- **Women in Construction:** \$15 million for DIR to establish a Women in Construction Priority Initiative to assist and provide resources to women in the construction industry, including developing materials for employers and unions to promote the recruitment and retention of women in construction, maintaining a website listing workers' rights, developing training materials specific to women to navigate health/safety and wage and hour laws, and leadership training for forewomen. It shall also provide resources (for employers and project owners) to improve construction worksite culture; address barriers; and develop training materials for workforce pipeline professionals specific to women in construction, and interagency trainings.

COMMUNITY ECONOMIC RESILIENCE FUND

- **\$600 million** one-time federal ARPA funds for the **Community Economic Resilience Fund** to support the planning and implementation of regional transition strategies developed by High Road Transition Collaboratives.
- These High Road Transition Collaboratives are intended to bring communities together through an inclusive process to produce a regional roadmap for economic growth that prioritizes the creation of accessible, high-quality jobs in future-looking industries.
- 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 CERF Program will provide follow-on funding for region- and industry-specific economic transition strategies outlined in the roadmap.
- Funding will be guided by the Just Transition Roadmap, which was scheduled to be published in July 2021.

DATA SHARING AMONG WORKFORCE PARTNERS

- **Cradle to Career Data System:** Creates the Cradle to Career data system within the Government Operations Agency. The system is intended to link education, workforce, health and human service data systems to better provide public data on educational outcomes and services for students and families.
- **Shared Data Between CCCO and Labor Agency:** \$8 million one-time for shared data infrastructure between the Labor Agency and the Chancellor's Office of the California Community Colleges.
- **Shared Data on Private Workforce Training:** \$2 million for the Bureau for Private Postsecondary Education to gather data on workforce outcomes in for-profit entities.

HIGHER EDUCATION CAREER PATHWAYS

- **College and Career Pathways:** \$250 million for a competitive grant program to support regional K-16 education collaboratives that create streamlined pathways from high school to postsecondary education and into the workforce.
- **Dual Admissions:** Creates a new dual admissions program at the UC and CSU to allow student transfer admissions at UC and CSU before they enroll in a community college transfer program.
- **CCC Guided Pathways Program:** \$50 million one-time for the continued implementation of the CCC Guided Pathways program. Requires colleges to submit a plan outlining strategies to implement guided pathways programs and integrate student success programs. Requires the Chancellor's Office to report on each college's progress towards implementing guided pathways, activities, and practices.
- **CCC Pathways to Law School Program:** \$5 million for a new CCC Pathways to Law School Program by supporting dual enrollment and transfer partnerships with CSU and UC.
- **Learning Aligned Employment:** Establishes the Learning Aligned Employment program, a state work-study program for students attending the UC, CSU, and CCC, targeting students from underrepresented backgrounds. The learning aligned employment position is to be related to the student's area of study or career interest, and placements with employers that are able to provide them with or connect them to full-time employment opportunities upon graduation.

STUDENT FINANCIAL SUPPORT

- **Golden State Education and Training Grant Program:** Creates a grant program which provides education grants of up to \$2,500 for workers displaced by COVID 19. Grant recipients can use the funding to cover costs for higher education or other training programs.
- **Cal Grant Expansion:** Creates the California Community College Expanded Entitlement Program, which removes age and time-out-of-high-school barriers to Cal Grant for income eligible community college students. Includes \$250 million to be used to provide \$6,000 stipends to Cal Grant recipients who are parents. Also includes \$6,000 in non-tuition support for all Cal Grant students who are former foster youth.
- **College Savings Program.** Expands and makes permanent the CalKIDS college savings program providing all California newborns with a college savings account, and additional funding for low-income K-12 students.

DIRECT GRANTS FOR WORKFORCE TRAINING (CONTINUED)

- These one-time GF grants are awarded by California Workforce Development Board:
 - \$3.5 million for Southern California Association of Governments for workforce development and training.
 - \$1 million for workforce training activities through the San Gabriel Valley Council of Governments.
 - \$2 million for the East Palo Alto Job Training Center for Economic Mobility.
 - \$3.5 million for the Los Angeles Black Worker Center to create the Workforce Equity Demonstration Project.
 - \$10 million for the Santa Clara Valley Transportation Authority for worker assistance, including mental health services, worker training, and retraining.
 - \$27 million to Creating Restorative Opportunities and Programs (CROP) for the Ready for Life Pilot program



INFORMATION SHARING OF ECONOMIC RECOVERY PROPOSALS

Agenda Item V

FOCUS AREAS

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



SPEAKERS — AGENDA ITEM V

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

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

TRACKING NEW AND ONGOING ISSUES

- **State Small Business Credit Initiative** – CA formula allocation \$895 million.
- **American Jobs Plan** – \$2 trillion in infrastructure, workforce, and small business procurement opportunities.
- **INVEST in America** (HR 3684) passed the US House of Representatives on July 1, 2021. The bill approves a \$715 billion/\$547 billion surface transportation and water infrastructure bill.
<https://www.congress.gov/bill/117th-congress/house-bill/3684?s=2&r=1>
- **Bipartisan Infrastructure Framework** provides \$1.2 trillion for infrastructure development and is part of the Administration's Build Back Better vision. Passed the Senate and is pending in House <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/24/fact-sheet-president-biden-announces-support-for-the-bipartisan-infrastructure-framework/>
- **Bipartisan Infrastructure Plan** that passed the Senate and awaiting action in the House on the \$550 billion spending plan.
- **House “Soft Infrastructure Plan”** announced, which provides \$3.5 trillion (2,600 pages)

STATE SMALL BUSINESS CREDIT INITIATIVE (SLIDE 1 OF 2)

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

STATE SMALL BUSINESS CREDIT INITIATIVE (SLIDE 2 OF 2)

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

Program Timeline

April 9 – US Treasury announces allocation amounts for CA

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

May 10 – US Treasury announces allocation amounts for Tribal governments

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

Early Summer – US Treasury Releases Guidelines

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

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



FEDERAL INITIATIVES

Updated as new information
becomes available

THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE - \$60 BILLION INFRASTRUCTURE PACKAGE

\$10 billion affordable housing and enhance mobility for low-income and disadvantaged communities.

\$4 billion for reduction of carbon pollution in the surface transportation sector.

\$4 billion neighborhood equity, safety, and affordable transportation access.

\$6 billion local surface transportation projects.

\$1 billion low-emission transportation technologies

\$500 million FEMA hazard mitigation revolving loan fund

\$425 million state and Tribal emergency operation centers.

<https://transportation.house.gov/committee-activity/hearings/09/10/2021/full-committee-markup>

\$9.5 billion to EDA for investments in persistently distressed communities, energy and industrial transition, public works projects, and regional hubs.

\$1 billion GSA to invest in high-performance green buildings.

\$1 billion for climate resilient Coast Guard infrastructure.

\$2.5 billion to support sustainable port infrastructure and supply chain resilience.

\$2 billion to invest in sewer overflow and storm water reuse projects.

\$500 million in grants to address backlog of wastewater projects on Tribal lands.

Passed September 15 and represents committee's portion of the budget reconciliation bill

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

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

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

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

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

FEDERAL INFRASTRUCTURE PROPOSALS

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

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

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

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

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

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

The White House fact sheet:

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

The Community Development Finance Authorities also produced a fact sheet

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



UNADDRESSED ISSUES IN THE BUDGET

CLIMATE CATALYST FUND - DEFERRED

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

- \$50 million one-time GF for Climate Smart Agriculture projects, including methane reduction projects, equipment replacement, water efficiency, healthy soils, and energy efficiency for food processing.

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CHECK LIST OF ISSUES FOR 2022-23

- **Extension of SB TAEP:** The program sunsets January 1, 2024.
- **\$2 Billion Unemployment Insurance Mitigation for Small Businesses.** Budget discussions included \$2 billion of tax relief over a ten-year period for small businesses to mitigate impacts of Unemployment Insurance repayments, beginning in 2023. This proposal was intended to replace the Governor's \$1.1 billion proposal.
- **CDFI Grants:** \$70 Million one-time GF to establish a grant program for community development financial institutions (CDFIs) pending future legislation. (Funding amended out of initial Budget Bill)
- **Commercial Rent Relief for Small Businesses:** Provisions included in AB 1147 (Cervantes), which is pending in Assembly Revenue and Taxation Committee.



CLOSING THOUGHTS

Links to Useful Information



Supporting SMALL
strengthens us ALL:
#ShopSafeShopLocal

STAY CONNECTED WITH GO-BIZ AND OPR

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

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

JEDE COVID-19 ACTIVITIES

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

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

Resource Webpages:

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